Form 3160-3 (July 1992)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE*

FORM APPROVED

OMB NO. 1040-0136

5. LEASE DESIGN

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			6. IF INDIAN, ALLOTTEE	OR TRIBE NAME	
APPLICATION FOR PERMIT	TO DRILL OF	R DEEPEN	UTE 1	RIBE	
TYPE OF WORK			7. UNIT AGREEMENT NAM	NE .	
DRILL 🗹	DEEPEN 🗆		WONSITS VALLEY UNIT		
TYPE OF WELL			8. FARM OR LEASE NAME	E, WELL NO.	
	□ MULTIPLE	☑			
OIL WELL GAS WELL OTHER ZONE	ZONE		WV 7A-	24-8-21	
2. NAME OF OPERATOR	Contact: Jan Nels	son	9.API NUMBER: .		
QUESTAR EXPLORATION & PRODUCTION, CO.	E-Mail: j	an.nelson@questar.com	43-0	47-40331	
3. ADDRESS	Telphone number		10. FIELD AND POOL, OR	WILDCAT	
11002 E 17500 S VERNAL, UT 84078	Phone 435-	781-4331 Fax 435-781-4395	WONSITS	VALLEY	
4. LOCATION OF WELL (Report location clearly and in a	ccordance with an	d State requirements*)	11. SEC.,T, R, M, OR BLK	& SURVEY OR AREA	
At Surface 6280937 1657' FNL 1342' FEL,	SWNE, SECTION 2	4, T8S, R21E			
At proposed production zone 44410584	40.111980	-109.496 985	SEC. 24, T8S,	R21E Mer SLB	
14. DISTANCE IN MILES FROM NEAREST TOWN OR POS	STOFFICE*		12. COUNTY OR PARISH	13. STATE	
11 + / - MILES EAST OF OURAY, UTAH			Uintah	UT	
15. DISTANCE FROM PROPOSED LOCATION TO NEARE	ST	16.NO.OF ACRES IN LEASE	17. NO. OF ACRES ASSIG	NED TO THIS WELL	
PROPERTY OR LEASE LINE, FT. (also to nearest drig,unit line if any)					
•		320.00	20	0	
1342' +/-					
18.DISTANCE FROM PROPOSED location to nearest wel completed, applied for, on this lease, ft	i, drilling,	19. PROPOSED DEPTH	20. BLM/BIA Bond No. on ESB000024	file	
650' +/-		16,397	E3B000024		
21. ELEVATIONS (Show whether DF, RT, GR, ect.)		CO DATE MODIL WILL STADE		***************************************	
4799.4' GR		22. DATE WORK WILL START ASAP	23. Estimated duration		
24. Attachments		ASAP	70 Days		
24. Attachments					
The following,completed in accordance with the requirm	ents of Onshore O	il and Gas Order No. 1 shall be at	tached to this form:		
Well plat certified by a registered surveyor.	0.00000	Bond to cover the operations unless		ı file (see	
2. A Drilling Plan		Item 20 above).	covered by an existing bond of	The (See	
3. A surface Use Plan (if location is on National Forest System La	nds,	Operator certification.			
the SUPO shall be filed with the appropriate Forest Service Office	ce).	Such other site specific information a	and/or plans as may be required	l by the	
0		authorized officer.	and or plants as may so requires	. 2, 5.0	
/					
1 and 11 King					
SIGNED ()	Name (printed/type	ed) Jan Nelson	DATE 8	3-13-08	
	·				
TITLE Regulatory Affairs					
(This space for Federal or State office use)	-				

PERMIT NO.

APPROVED BY

ENVIRONMENTAL MANAGER

*See Instructions On Reverse Side

Pederal Approval of this Action is Necessary

43-047-40331

AUG 1 4 2008

CONFIDENTIAL

T8S. R21E. S.L.B.&M. S89°51'53"W - 2661.95' (Meas.) S8975'38"W - 2662.87' (Meas.) Brass Cap 1967 Brass Cap 1967 Brass Cap. 1.0' High, Small Pile of Stones 1342 WV #7A-24-8-21 Elev. Ungraded Ground = 4799 N00'55 1967 Brass Cap 24 1967 Brass Cap (C.L.O.) 2671.68 N01.18'W 1963 Brass Cap 0.9' High S8919'W - 2643.96' (G.L.O.) S89'36'W - 2650.56' (G.L.O.) LEGEND: (NAD 83) LATITUDE = $40^{\circ}06'43.13''$ (40.111981= 90° SYMBOL LONGITUDE = $109^{\circ}29'51.38''$ (109.497606) (NAD 27) = PROPOSED WELL HEAD. LATITUDE = $40^{\circ}06'43.26''$ (40.112017 LONGITUDE = $109^{\circ}29'48.90''$ (109.496917) = SECTION CORNERS LOCATED.

QUESTAR EXPLR. & PROD.

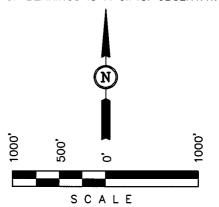
Well location, WV #7A-24-8-21, located as shown in the SW 1/4 NE 1/4 of Section 24, T8S, R21E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

BENCH MARK 20EAM LOCATED IN THE SE 1/4 OF SECTION 35, T8S, R21E, S.L.B.&M. TAKEN FROM THE OURAY SE, QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 4697 FEET.

BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PIN MAS PREPARED FIELD NOTES OF ACTUAL SURVEYS MADE BE ME OF UNDER SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT BEST OF MY KNOWLEDGE AND BELIEF NO. 16131

REGISTRAD LAND SURVEYOR

Revised: 08-13-08 D.P. Revised: 07-29-08 D.P.

UINTAH ENGINEERING & LAND SURVEYING 85 SOUTH 200 EAST - VERNAL, UTAH 84078

(435) 789-1017

SCALE 1" = 1	000'		DATE SURVEYED: 05-23-06	DATE DRAWN: 05-31-06
PARTY D.A.	T.A.	D.R.B.	REFERENCES G.L.O. PLA	Т
WEATHER			FILE	
WAR	М		QUESTAR EXPL	R. & PROD.

Additional Operator Remarks

Questar Explor. & Prod. Co. proposes to drill a well to 16,397 to test the Dakota. If productive, casing will be run and the well completed. If dry, the well will be plugged and abandoned as per BLM and State of Utah requirements"

Please see Onshore Oil & Gas Order NO. 1

Please be advised that Questar Explor. & Prod. Co. agrees to be responsible under the terms and conditions of the lease for the operations conducted upon the lease lands.

Bond coverage for this well is provided by Bond No.ESB000024. The principal is Questar Explor. & Prod. Co. via surety as consent as provided for the 43 CFR 3104.2.

DRILLING PROGRAM

ONSHORE OIL & GAS ORDER NO. 1 Approval of Operations on Onshore Federal Oil and Gas Leases

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas No. 1, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

1. Formation Tops

The estimated tops of important geologic markers are as follows:

<u>Formation</u>	<u>Depth</u>
Uinta	Surface
Green River	2,464'
Wasatch	5,778'
Mesaverde	8,682'
Sego	11,102'
Castlegate	11,212'
Blackhawk	11,567'
Mancos Shale	12,037'
Mancos B	12,422'
Frontier	15,122'
Dakota Silt	16,002'
Dakota	16,197'
TD	16,397'

2. Anticipated Depths of Oil Gas Water and Other Mineral Bearing Zones

The estimated depths at which the top and bottom of the anticipated water, oil, gas. Or other mineral bearing formations are expected to be encountered are as follows:

Substance	Formation	<u>Depth</u>
Gas	Wasatch	5,778'
Gas	Mesaverde	8,682'
Gas	Blackhawk	11,567'
Gas	Mancos Shale	12,037'
Gas	Mancos B	12,422'
Gas	Dakota	16,197

All fresh water and prospectively valuable minerals encountered during drilling will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

ONSHORE OIL & GAS ORDER NO. 1 QUESTAR EXPLORATION & PRODUCTION COMPANY WV 7A-24-8-21

DRILLING PROGRAM

All water shows and water-bearing sands will be reported to the BLM in Vernal, Utah. Copies of State of Utah form OGC-8-X are acceptable. If flows are detected, samples will be submitted to the BLM along with any water analyses conducted. Fresh water will be obtained from Wonsits Valley water right # A36125 (which was filed on May 7, 1964,) or Red Wash water right # 49-2153 (which was filed on March 25, 1960). It was determined by the Fish and Wildlife Service that any water right number filed before1989 is not depleting to the Upper Colorado River System, to supply fresh water for drilling purposes. All water resulting from drilling operations will be disposed of at Red Wash Central Battery Disposal Site; SWSE, Section 27, T7S, R23E or Wonsits Valley Disposal Site; SWNW, Section 12, T8S, R21E.

3. Operator's Specification for Pressure Control Equipment:

- A. 5000 psi double gate, 5,000 psi annular BOP (schematic included) from surface hole to 9-5/8" casing point. A 10,000 psi double and single gate may be substituted based on contractor availability and substructure height of the drilling rig.
- B. 10,000 psi double gate, 10,000 psi single gate, 10,000 psi annular BOP (schematic included) from 9-5/8" casing point to total depth. The choice of BOP stacks is based on the drilling contractor's availability.
- C. Functional test daily
- D. All casing strings shall be pressure tested (0.2 psi/foot or 1500 psi, whichever is greater) prior to drilling the plug after cementing; test pressure shall not exceed the internal yield pressure of the casing.
- E. Ram type preventers and associated equipment shall be tested to approved stack working pressure if isolated by test plug or to 50 percent of internal yield pressure of casing whichever is less. BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc..., for a 10M system and individual components shall be operable as designed.

ONSHORE OIL & GAS ORDER NO. 1 QUESTAR EXPLORATION & PRODUCTION COMPANY WV 7A-24-8-21

DRILLING PROGRAM

4. Casing Design:

Hole Size	Csg. Size	Top (MD)	Bottom (MD)	Mud Weight	Wt. lb/ft	Grade	Thread	Cond.
26"	20"	sfc	40-60'	N/A	Steel	Cond.	None	Used
17-1/2"	13-3/8"	sfc	500'	N/A	54.5	K-55	STC	New
12-1/4"	9-5/8"	sfc	5,084'	9.2	47	HCP-110	LTC	New
8-1/2"	7"	Surface	9,000'		26	HCP-110	LTC	New
8-1/2"	7"	9000'	12,087'	13.5	29 SDrift *	HCP-110	LTC	New
6-1/8"	4-1/2"	sfc	13,000'		15.1	P-110	LTC	New
6-1/8"	4-1/2"	13,000'	15,000'		15.1	Q-125	LTC	New
6-1/8"	4-1/2"	15,000°	16,397'	14.8	16.6	Q-125	LTC	New

Casing St	rengths:			Collapse	Burst	Tensile (minimum)
13-3/8"	54.5 lb.	K-55	STC	1,130 psi	2,730 psi	547,000 lb.
9-5/8"	47 lb.	HCP-110	LTC	7,100 psi	9,440 psi	1,213,000 lb.
7"	26 lb.	HCP-110	LTC	7,800 psi	9,950 psi	693,000 lb.
7"	29 lb.*	HCP-110	LTC	9,200 psi	11,220 psi	797,000 lb.
4-1/2"	15.1 lb.	P-110	LTC	14,350 psi	14,420 psi	406,000 lb.
4-1/2"	15.1 lb.	Q-125	LTC	15,840 psi	16,380 psi	438,000 lb.
4-1/2"	16.6 lb.	Q-125	LTC	19,010 psi	18,130 psi	493,000 lb.

* Special Drift

MINIMUM DESIGN FACTORS:

COLLAPSE: 1.125 BURST: 1.10 TENSION: 1.80

Area Fracture Gradient:

0.9 psi/foot

Maximum anticipated mud weight: 14.8 ppg Maximum surface treating pressure: 12,500 psi

DRILLING PROGRAM

5. <u>Cementing Program</u>

20" Conductor:

Cement to surface with construction cement.

13-3/8" Surface Casing: sfc – 500' (MD)

Slurry: 0' - 500'. 610 sxs (730 cu ft) Premium cement + 0.25 lbs/sk Flocele + 2% CaCl₂. Slurry wt: 15.6 ppg, slurry yield: 1.20 ft³/sx, slurry volume: 17-1/2" hole + 100% excess.

9-5/8" Intermediate Casing: sfc – 5,084' (MD)

Lead Slurry: 0' – 4,584'. 1319 sks (345 bbls) Foamed Lead 50/50 Poz cement + 0.1 % FDP-C766-05 (Low Fluid Loss Control) + 5 #/sx Silicate Compacted + 20 % SSA-1 + 0.1 % Versaset + 1.5 % Zonesealant 2000 (foamer) Slurry wt: 14.3 ppg, (unfoamed) or 11.0 ppg (foamed). Slurry yield: 1.47 ft³/sk (unfoamed), Slurry volume: 12-1/4" hole + 35% excess.

Tail Slurry: 4,584' – 5,084'. 115 sks (30 bbls) Tail 50/50 Poz cement + 0.1 % FDP-C766-05 (Low Fluid Loss Control) + 5 #/sx Silicate Compacted + 20 % SSA-1 + 0.1 % Versaset. Slurry wt: 14.3 ppg, Slurry yield: 1.47 ft³/sk, Slurry volume: 12-1/4" hole + 35% excess.

7" Intermediate Casing: sfc - 12,087' (MD)

Foamed Lead Slurry 2: 0' – 1,1,587'. 1350 sks (1984 cu ft) 0.1% HALAD-766 (Low Fluid Loss Control); Slurry Yield: 1.47 ft³/sk; 5 lbm/sk Silicalite Compacted (Light Weight; Additive) Total Mixing Fluid: 6.40 Gal/sk; 20 % SSA-1 (Heavy Weight Additive); 0.1 % Versaset (Thixotropic Additive); 1.5 % FDP-C760-04 (Foamer) 35% excess.

Tail Slurry: 11,587' – 12,087'. 60 sks (79.3 cu ft) 0.1% HALAD-766 (Low Fluid Loss Control) Slurry Yield: 1.47 ft³/sk; 5 lbm/sk Silicalite Compacted (Light Weight Additive) Total Mixing Fluid: 6.40 Gal/sk; 20 % SSA-1 (Heavy Weight Additive); 0.1% Versaset (Thixotropic Additive); 1.5% FDP-C760-04 (Foamer).

4-1/2" Production Casing: sfc - 16,397' (MD)

Lead/Tail Slurry: 6,000' - 16,397'. 890 sks (1325 cu ft) Premium Cement + 17.5% SSA-1, + 4% Microbond HT, + 0.2% Halad 344 + 0.5% Halad 413, + 0.3% CFR-3, + 0.9% HR-12, + 0.2% Super CBL, + 0.2% Suspend HT, 17.5% SSA-2. Slurry wt: 16.2 ppg, Slurry yield: 1.49 ft³/sk, Slurry volume: 6-1/8" hole + 35% in open hole section.

*Final cement volumes to be calculated from caliper log with an attempt to be made to circulate cement to the surface on the intermediate strings and 6,000' on the production string. A bond log will be run across the zone of interest and across zones as required by the authorized officer to insure protection of natural resources.

ONSHORE OIL & GAS ORDER NO. 1 QUESTAR EXPLORATION & PRODUCTION COMPANY WV 7A-24-8-21

DRILLING PROGRAM

6. Auxiliary Equipment

- A. Kelly Cock yes
- B. Float at the bit yes
- C. Monitoring equipment on the mud system visually and/or PVT/Flow Show
- D. Full opening safety valve on the rig floor yes
- E. Rotating Head yes
 If drilling with air the following will be used:
- F. Request for Variance

Drilling surface hole with air:

A variance from 43 CFR 3160 Onshore Oil and Gas Order #2, Section III Requirements, subsection E. Special Drilling Operations is requested for the specific operation of drilling and setting surface casing on the subject well with a truck mounted air rig. The variance from the following requirements of Order #2 is requested because surface casing depth for this well is 500 feet and high pressures are not expected.

- 1. **Properly lubricated and maintained rotating head** A diverter system in place of a rotating head. The diverter system forces the air and cutting returns to the reserve pit and is used to drill the surface casing.
- 2. Blooie line discharge 100 feet from wellbore and securely anchored the blooie line discharge for this operation will be located 50 to 70 feet from the wellhead. This reduced length is necessary due to the smaller location size to minimize surface disturbance.
- 3. Automatic ignitor or continuous pilot light on blooie line a diffuser will be used rather than an automatic pilot/ignitor. Water is injected into the compressed air and eliminates the need for a pilot light and the need for dust suppression equipment.
- 4. Compressors located in the opposite direction from the blooie line a minimum of 100 feet from the wellbore compressors located within 50 feet on the opposite side of the wellbore from the blooie line and is equipped with a 1) emergency kill switch on the driller's console, 2) pressure relief valves on the compressors, 3) spark arrestors on the motors.
- 5. **Kill Fluid to control well** In lieu of having mud products on location to kill the well for an unanticipated kick, Questar will kill the well with water contained in a 400 bbl tank on site. The 400 bbl water tank will also be storage for surface casing cement water.

DRILLING PROGRAM

- 6. **Deflector on the end of the blooie line** Questar will mount a deflector unit at the end of the blooie line for the purpose of changing the direction and velocity of the air and cuttings flow into the reserve pit. Changing the velocity and direction of the cuttings and air will preserve the pit liner. In the event the deflector washes out due to erosion caused by the sand blasting effect of the cuttings, there will be no problem because the deflector is mounted on the very end of the blooie. A washed out deflector will be easily replaced.
- 7. **Flare Pit** there will be no need of a flare pit during the surface hole air drilling operation because the blooie line is routed directly to the reserve pit. When the big rig arrives for the main drilling after setting surface casing, a flare box will be installed and all flare lines will be routed to the flare box.
- G. All other operations and equipment for air/gas drilling shall meet specifications in Onshore Order #2, Section III Requirements, subsection E. Special Drilling Operations and Onshore Order #1.

Surface hole will be drilled with air, air/mist, foam, or mud depending on hole conditions. Intermediate holes will be with water based drilling fluids consisting primarily of fresh water, bentonite, lignite, caustic, lime, soda ash and polymers. The production hole will be drilled with oil base mud (OBM). No chromates will be used. Maximum anticipated mud weight is 14.8 ppg.

No minimum quantity of weight material will be required to be kept on location.

PVT/Flow Show will be used from base of surface casing to TD.

Gas detector will be used from surface casing depth to TD.

7. Testing, logging and coring program

- A. Cores none anticipated
- B. DST none anticipated
- C. Logging Mud logging 2500' to TD GR-SP-Induction, Neutron Density, FMI
- D. Formation and Completion Interval: Mancos interval, final determination of completion will be made by analysis of logs.
 Stimulation Stimulation will be designed for the particular area of interest as encountered.

ONSHORE OIL & GAS ORDER NO. 1 QUESTAR EXPLORATION & PRODUCTION COMPANY WV 7A-24-8-21

DRILLING PROGRAM

8. Anticipated Abnormal Pressures and Temperatures, Other Potential Hazards

No abnormal temperatures or pressures are anticipated. No H2S has been encountered in or known to exist from previous wells drilled to similar depths in the general area. Maximum anticipated bottom hole pressure equals approximately 12,600 psi. Maximum anticipated bottom hole temperature is 310° F.

9. Additional Information For Oil Base Mud

- A. See attached diagram of well pad layout. A reserve pit will be constructed for this location. This pit will be constructed so that a minimum of two vertical feet of freeboard exists above the top of the pit at all times and at least one-half of the holding capacity will be below ground level. The pit will be lined with a synthetic reinforced liner, 30 millimeters thick, with sufficient bedding used to cover any rocks prior to putting any fluids into the pit. The pad will be designed so that runoff from adjacent slopes does not flow into the reserve pit. The liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. At the beginning of drilling operations this reserve pit will have an open-ended dike placed in the pit that allows the fluids to migrate from one side of the pit to the other during the drilling of the surface and intermediate hole using water based mud. At the time that operations begin to drill the production hole with oil base mud, this dike will be extended, dividing the pit into two distinct, isolated halves allowing no migration of fluids from one side to the other. At that time all fluids will be removed from the end of the pit to be used as a cuttings pit. This cuttings pit will be used for oil based cuttings generated during drilling of the production hole.
- **B.** Oil-base mud will be mixed in the closed circulating system and transferred to four 500-bbl tanks on location for storage prior to and after drilling operations. Drip pans will be installed below the rotary beams on the substructure and can be viewed on site from the cellar area. As the production section of the hole is drilled, the cuttings transported to the surface with the drilling fluid will be mechanically separated from the drilling fluid as waste by two shale-shakers and then cleaned/dried via a mud cleaner and/or centrifuge. These separated cuttings will be transferred to the cuttings pit nearest the shakers and stored in this cuttings pit for solidification after the rig is released and moved off location.
- C. The means to transport the cuttings from the solids control equipment to the OBM cuttings pit will be by 10" PVC pipe or equivalent steel piping. Water will be pumped to the solids control equipment and will convey the OBM cuttings from the solids control equipment to the OBM cuttings pit via the PVC pipe. The water will be recycled multiple times from the cuttings pit to continue to transport the cuttings to

ONSHORE OIL & GAS ORDER NO. 1 QUESTAR EXPLORATION & PRODUCTION COMPANY WV 7A-24-8-21

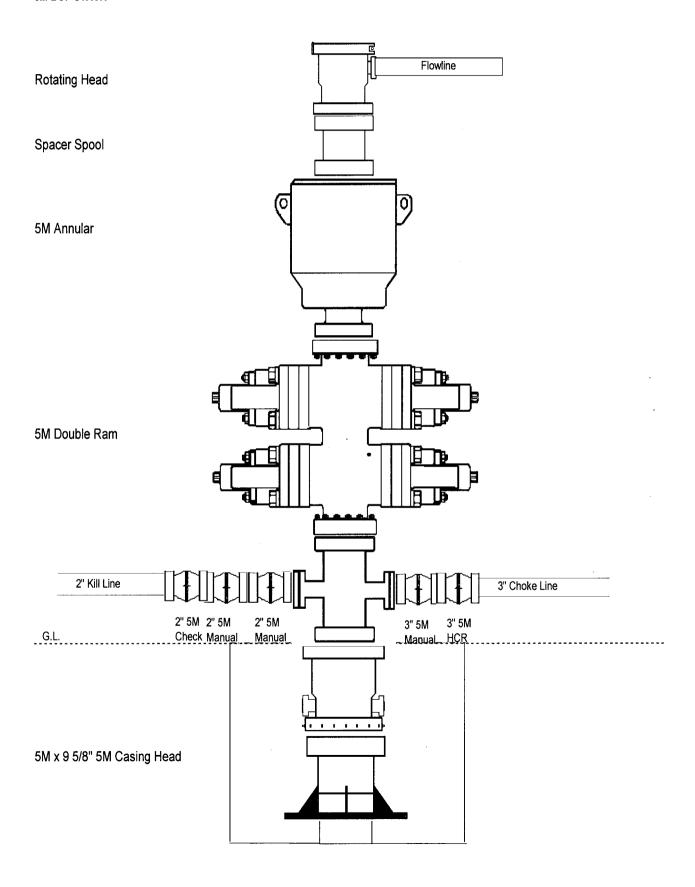
DRILLING PROGRAM

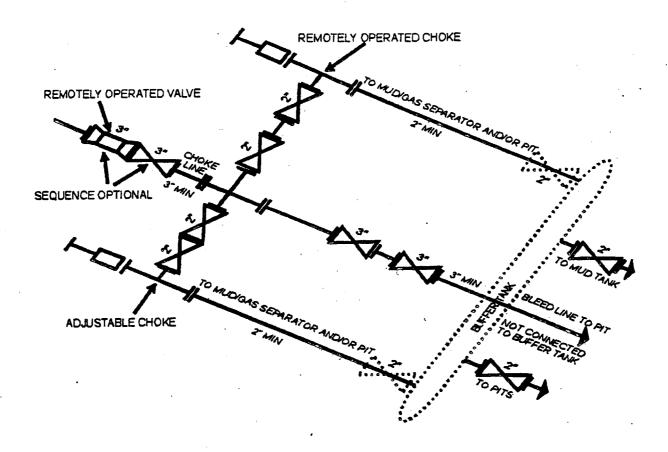
the cuttings pit. The conveyance system will be enclosed on the solids control end to prevent spills. The conveyance piping system at the cuttings pit end will be placed on top of pit liner to eliminate absorption of fluids into the soil.

- **D.** Plastic material will underlay the rig, oil base mud/diesel storage tanks and mud pits. All tanks on location will be placed inside of berms. Any oily waste fluids and sediments generated at the work site during drilling operations or when cleaning the fluid containment system after drilling will also be placed into the cuttings half of the pit.
- **E.** All rig ditches will be lined and directed to a lined sump for fluid recovery. A drip pan will be installed on the BOP stack, a mud bucket will be utilized as needed on connections and a vacuum system will be used on the rig floor for fluid recovery in those areas.
- **F.** Once all waste has been placed in the cuttings portion of the pit and all necessary approvals obtained, the oilfield waste management consultant Soli-Bond or a similar company will mobilize equipment and personnel to the site to perform the cement based solidification/stabilization process in-situ for encapsulation. Soil will be backfilled over the processed material used on the cuttings side of the pit and that portion of the pit area will be returned to the existing grade bordering the pit. Please see the attached Soli-Bond Proposal for Processing and Disposal of Drilling Waste for specific details. The half of the reserve pit containing water base materials will be left to evaporate and will be closed and reclaimed at the time that portion of the pit is dry.

DRILLING PROGRAM

5M BOP STACK



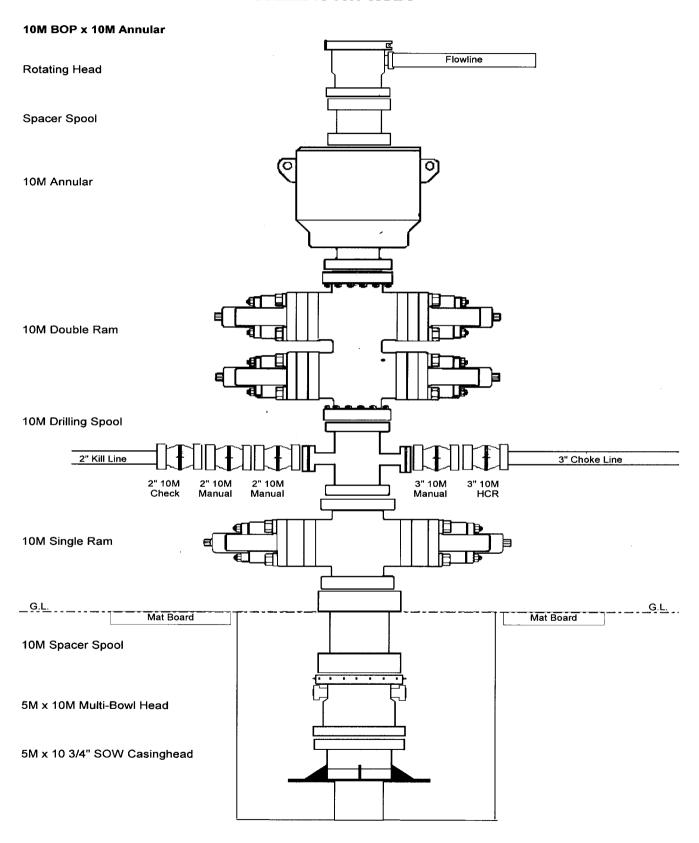


5M CHOKE MANIFOLD EQUIPMENT - CONFIGURATION OF CHOKES MAY VARY

Although not required for any of the choke manifold systems, buffer tanks are sometimes installed downstream of the choke assemblies for the purpose of manifolding the bleed lines together. When buffer tanks are employed, valves shall be installed upstream to isolate a failure or malfunction without interrupting flow control. Though not shown on 2M, 3M, 10M, OR-15M drawings, it would also be applicable to those situations.

[54 FR 39528, Sept. 27, 1989]

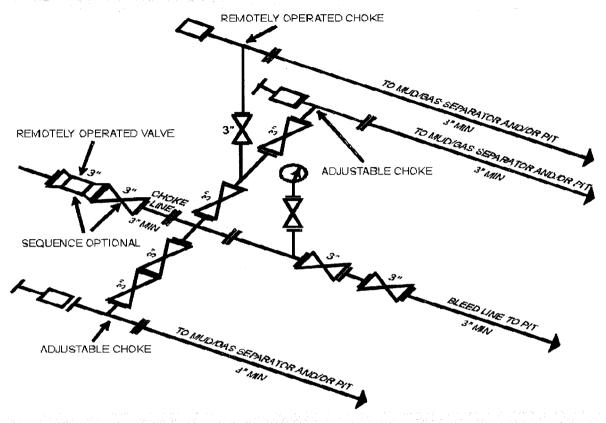
DRILLING PROGRAM



ONSHORE OIL & GAS ORDER NO. 1 QUESTAR EXPLORATION & PRODUCTION COMPANY WV 7A-24-8-21

DRILLING PROGRAM

Attachment I Diagrams of Choke Manifold Equipment



I-4 10M and 15M Choke Manifold Equipment -- Configuration of chokes may vary [54 FR 39528, Sept. 27, 1989]

Last Updated March 25, 1997 by John Broderick



Questar Exploration & Production Company

WV 7A-24-8-21

Sec 24-T8S-R21E Uintah County, Utah

Drilling Fluids Program

410 17th Street, Suite 460 Denver, CO 80202 (303) 623-2205 (720) 904-7970 Fax



Newpark Drilling Fluids, LP

410 17th Street, Suite 460

■ Denver, Colorado 80202

(303) 623-2205

FAX (720) 904-7970

July 29, 2008

Mr. Jim Davidson Questar Exploration & Production 1331 17th Street, Suite 800 Denver, Colorado 80202

RE: WV 7A -24-8-21 Sec 20-T8S-R21E Uintah Co, Utah

Mr. Davidson:

Newpark Drilling Fluids, LP is pleased to present the enclosed recommended drilling fluids program for the WV 7A-24-8-21 well to be drilled in Uintah County, Utah. This program is for drilling with KCL Water/FlexFirm and/or light mud in the 1st intermediate to 5,084 ft, a polymer fluid system in the 2nd intermediate interval to 12,087 ft, then to T.D. at 16,397 ft with OBM.

The Surface Interval will be pre-set at a depth of 500 ft.

For the 1st intermediate Interval, a light KCL /Flex Firm drilling fluid is planned. Lightly mud up before drilling into the Trona/Water flood area and/or before Intermediate T.D.

Brine kill pills may be needed for trips, logs, and casing operations, depending on pressure encountered while drilling. Trona water flows in this area may require a mud weight of 9.5-9.8 ppg to control.

Water flood area's in the Green River may need 10.2-10.5 ppg mud weight to control.

A mud-up will be is recommended before 1st Intermediate T.D. At 4,000'+/-. Mud-up to a NewPHPA/Polymer system. Required mud weight at interval T.D. at 5,084' is expected to be in the 8.8-9.0 ppg range.

In the 2nd intermediate interval, drill out with the KCL system from the previous interval..

Mud weight in this interval is expected to be in the 10.5-11.0 ppg range at the 12,087 ft 2nd Intermediate interval T.D. Extreme loses have been encountered in this interval on offset wells.

In the Production interval, displace to a 13.0-14.0 ppg OptiDrill OBM system. Maintain fluid density as low as possible to increase penetration rates and reduce the possibility of lost circulation. Use high weight pills for well control during; trips, logs, and casing operations. Mud weight at T.D. is expected to be at +/-15.5 ppg.

The projected drilling time for this project is 45-50 days with an estimated material and engineering cost of \$300,000.00 assuming no unusual delays or problems are encountered. The estimate is based on minimal losses and a 15.0 ppg mud weight at TD. Costs will increase dramatically if severe losses are encountered.

All sack material and bulk barite will be furnished from our Grand Junction, Colorado and Myton, UT facilities with OBM supplied from Newpark's Boulder, WY facility.

If you have any questions following your review of this proposal, please call.

Regards,

Estes Ward Operations Manager Newpark Drilling Fluids, LP

Project Summary

Questar
Exploration & Production
WV 7A-24-8-21
Sec 24T-8S-R21E
Uintah, County Utah

Depth (ft)	Formations	Interval Comments	Mud Weight (ppg)	Mud Properties
500'	Uinta Surface T.D.	Hole size: 17 1/2"/ Casing: 13 3/8" AIR DRILLED	NA	NA
2,464'	Green River Birds Nest Mahogany G1 Sand	KCL/FlexFirm Hole size: 12-1/4"/ Casing: 9 5/8" Drill out with KCL water. Maintain K silicate with 1-3 sks per 100 ft. Pump pre-hydrated NewGel or Flowzan /New Gel sweeps for increased hole cleaning and for any tight hole and/or torque. For trips, spot heavy brine if needed for trona flow, and at intermediate T.D. check hole conditions and spot high viscosity mud if needed. If hole conditions dictate a mud-up, convert the system to a KCL/Polymer system.	8.4-8.8	Vis (sec/qt): 27-36 PV (cp): 0-8 YP (#s/100ft²): 0-10 FL (ml/30 min): NC-20 LGS %: < 1%-3% pH: 10.5-10.8
5,084'	Intermediate T.D.	Mud weight required at T.D. is expected to be in the 8.8-9.0 ppg range	8.8-9.0	Cl (mg/l): 15-20K KCL: 3%
5,778'	Wasatch	NewPHPA/Polymer	9.1-9.4	Vis (sec/qt): 40-45
8,682'	Mesa Verde	Hole size: 8.5 "/ Casing: 7" Mud up as hole conditions dictate to a NewPHPA/ Polymer system. Maintain properties as outlined in- creasing the PHPA concentration to 1 ppb.	9.2-9.5	PV (cp): 12-20 YP (#s/100ft²): 10-12
11,102' 11,212'	Sego Bucktongue Castlegate	Lost circulation may be a problem in this interval. If lost circulation is encountered, pump LCM pills as needed. If LCM pills will not control losses, by-pass the shakers and increase the LCM concentration in the	10.0-10.5	FL (ml/30 min): 6-8
11,567' 12,037'	Blackhawk Blachawk SS Mancos	system as needed. If severe lost circulation is encountered, consider a New X-Prima squeeze. Hole instability may be encountered in the Mesa	10.5	LGS %: 3-5 pH: 10.0-10.5
12,037	Inter. 2 T.D.	Verde. Monitor torque, pump pressure, connection fill, and trip conditions for indications of hole instability and consider adding Asphalt if hole conditions dictate.	10.5 10.5-11.0	Cl (mg/l): 11-15K PHPA: 1.0 ppb
12,422'	Mancos B	OptiDrill OBM Hole size: 6-1/8"/ Casing: 4-1/2" Drill out with the OptiDrill system, treating cement contamination as needed with OptiWet to prevent shaker blinding.	14.0	PV (cp): 15-25 YP (lbs/100ft ²): 8-10 HPHT (mls/30 min.): <20
15,122' 16,197'	Frontier equiv. Dakota Silt Dakota	Maintain hole cleaning during high ROP's with high viscosity sweeps. Use a 1:1 ratio of OptiVis RM and OptiVis. CO2 in the gas stream while drilling under balanced will require additional Lime, emulsifiers and wetting agent.	14.6 15.0	O/W: 80:20 - 85:15 ES: 500+
16,397'	Total Depth	Maintain mud weight as needed for well control. Spot high weight ECD pills for trips, logs, and casing operations.	15.5	Lime: 2-4 ppb LGS %: < 6

Newpark Drilling Fluids, LP 410 17th Street, Suite 460

410 17th Street, Suite 460 Denver, CO. 80202 (303) 623-2205 FAX (720) 904-7970

Project Summary

Questar
Exploration & Production

<u>WV 7A-24-8-21</u>
Sec 24T-8S-R21E
Uintah, County Utah

DRILLING FLUID PROPERTIES

	Surface Hole: Air Drilled									
Hole Size (in)	TVD (ft)	Mud Weight (ppg)	Plastic Viscosity (cp)	Yield Point (lb/100ft²)	API Fluid Loss (ml/30min)	Total Solids (%)				
17-1/2 "	0-500'	NA	NA	NA	NA	NA				

1st Intermediate Hole: KCL/FlexFirm

Hole Size (in)	MD (ft)	Mud Weight (ppg)	Plastic Viscosity (cp)	Yield Point (lb/100ft²)	API Fluid Loss (ml/30min)	Chloride Mg/l (x1000)	LGS Solids (%)
12-1/4"	500'- 4,000'	8.6-8.8	2-8	0-4	NC-20	15-20	1-3%
12-1/4"	4,000'-5,084'	9.3-9.5	8-12	8-10	10-12	15-20	3-5%

2nd Intermediate Interval: NewPHPA/Polymer

Hole Size (in)	MD (ft)	Mud Weight (ppg)	Plastic Viscosity (cp)	Yield Point (lb/100ft²)	API Fluid Loss (ml/30min)	рН	LGS Solids (%)
8-1/2"	5,084' -10,000'	9.3-9.8	6-12	6-10	8-10	10.0-11.0	3-6%
8-1/2 "	10,000'-12,087'	10.5-11.0	12-18	12-15	6-8	10.0-11.0	3-6%

Production Interval: OptiDrill OBM

Hole Size (in)	MD (ft)	Mud Weight (ppg)	Plastic Viscosity (cp)	Yield Point (lb/100ft²)	O/W Ratio (%)	HPHT Fluid Loss (ml/30min)	CaCL (mg/l) X 10,000	Electrical Stability (mv)	LGS Solids (%)
6-1/8 "	12,087'-16,397'	15.0-15.5	20-30	8-10	85/15	12-15	250-350	500 +	3-6

- Drilling fluid properties are guidelines only.
- Mud weights for guidelines only, allow hole conditions to dictate actual mud weights.
- Hole conditions should be closely monitored and product mix adjusted accordingly.



1st Intermediate Interval

12-1/4" Hole (500'- 5,084')

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Uintah. County Utah

1st Intermediate Interval Drilling Fluid Properties									
Interval Weight Viscosity Point Fluid Loss Gravity Mg/l									Chlorides Mg/l (x1000)
500'- 5,084'+/-	9.0-9.5	28-36	2-10	0-8	10.0-11.0	NC-20	3.0	<1.0	15-20

- Drill out with KCL water maintaining KCL % at 3.0.
- Mix FlexFirm at 3 sks per 100 ft drilled for hole stability and reduced bit balling.
- If a water flow is encountered, treat as needed for carbonates.
- Pump pre-hydrated NewGel and/or Flowzan/SaltGel sweeps for increased hole cleaning, along with LCM sweeps for seepage (Paper LCM while drilling with water)
- If water flows are encountered, spot heavy brine pills for trips, logs and casing operations.
- If hole conditions dictate a mud-up, convert the KCL water to a KCL/Polymer system.
- Shallow gas/overpressure was encountered on some offsets in the area at 3,700-4,000'. A 9.5-9.9 ppg fluid was needed to control pressure.

Challenges:	Strategies:
Gravel/Unconsolidated formation	If encountered, pump sweeps of pre-hydrated NewGel with a viscosity of 150 –300 sec/qt.
Water Flows (Trona)	If water flows become excessive, control hydrostatic as needed with air additions and fluid density.
Lost Circulation	While drilling with water, pump LCM sweeps consisting of paper. If drilling with mud, pump mixed LCM pills in the 20-30% LCM range.
Hole Cleaning	Pump sweeps on a regular basis and for any indications of insufficient hole cleaning. Circulate and pump sweeps before connections and for any anticipated down time.
Increase ROP with PDC Bits	Pump 20-40 bbl. Sweeps with NewEase 203, New100N, DynaDet, and SAPP. (FlexDrill Sweeps)
Hole Instability/Sloughing Shale	Consider a mud-up and Asphalt additions.



1st Intermediate Interval

12-1/4" Hole (500 - 5,084')

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Sec 24T-8S-R21E
Uintah, County Utah

Offset Data:

- Wells in this area have encountered major losses in the Birds Nest.
- Gravel/unconsolidated formation has been encountered at 1380 ft.
- Gas/overpressure has been encountered at 3,700'-4,000'.

Fluid Recommendations:

- Drill out cement, float collar and new formation. Test the integrity of the casing seat and squeeze if necessary.
- Drill out with Saltwater, aerating as needed to maintain circulation.
- If water is encountered, control flow with reduced air and fluid density.
- If a Trona Water flow is encountered additions of Lime and/or Calcium Chloride should be used to adjust alkalinities as needed.
- The use of a premix tank is highly recommended. Pre-Hydrate NewGel for use as sweeps and for viscosity when a mud up is needed. Fill premix tank with fresh water. Treat out hardness with SodaAsh as needed. Add 0.25-0.5 ppb Caustic Soda for a 10.0-10.5 pH. Begin additions of 20-25 ppb NewGel allow sufficient circulating time for maximum hydration. Add 1.0-2.0 ppb CFL II. Then mix additional NewGel (30-40 ppb total) or a 120+ funnel viscosity. The pre-hydrated bentonite can be pumped from the premix to the pill tank and pumped downhole for sweeps or can be added slowly to the Saltwater for viscosity and rheology control.
- If penetration rates slow sweeps with New 100N, NewEase 203, SAPP, and DynaDet should be considered. (1% New 100N, 1% NewEase 203, 0.5-0.75 ppb SAPP, 0.2 % DynaDet). "Flex Sweeps"
- For trips, an increase in mud weight may be necessary to kill water flows. 9.8-10.0 ppg brine should be considered for this operation.
- Seepage and/or lost circulation may become a problem. For seepage while drilling with water, pump 20-30 bbl pills containing Paper LCM.
- If losses become severe, consider a mud up and LCM sweeps of **Cedar Fiber** and **FiberSeal** should be pumped and incorporated into the system as needed. If losses continue, increase coarse LCM in active system to 15-20%. If losses continue the use of a **New X-Prima** Squeeze is strongly recommended.
- At TD increase funnel viscosity for logs and casing operations as hole conditions dictate. Suggest funnel viscosity be increased to 45-50 sec/qt, before logging operations be attempted.
- At 5,085' (intermediate T.D.) short trip, check hole conditions. If hole conditions dictate, add pre-hydrated New-Gel from the premix tank to the active system to increase funnel viscosity to 45-50 sec/qt and spot in the open hole for logs and casing operations

DRILL STRING PACK-OFF: Rapid penetration rate during fast drilling often deteriorates to pack-off, a situation which can lead to lost circulation and/or stuck pipe. Pack-off is typically self-induced by exceeding the maximum rate of penetration for a given annular flow rate. The solution to this is to control the penetration rate to a level that the pumps can adequately clean the hole while maintaining rheological properties in line with existing hydraulic parameters.

SOLIDS CONTROL: It is of the utmost importance that the shale shakers and flow line cleaners be equipped with the finest screens possible, and yet handle the flow rate. The desander and desilter units should be evaluated periodically and serviced to maximize performance.



2nd Intermediate Interval

8-1/2" Hole (5,084'- 12,087')

Questar
Exploration & Production

<u>WV 7A-24-8-21</u>
Sec 24T-8S-R21E
Uintah, County Utah

2nd Intermediate Interval Drilling Fluid Properties									
Depth Interval (TVD)	Mud Weight (ppg)	Viscosity (sec/qt)	Plastic Viscosity (cp)	Yield Point (lb/100ft²)	рН	API Fluid Loss (ml/30min)	Hardness Mg/l)	Low Gravity Solids	
5,084'-10,000'	9.0-9.5	32-36	6-12	6-10	10.0-11.0	8-10	100+	4-6	
10,000'-12,087'	10.5-11.0	45-50	10-18	12-14	10.0-11.0	6-8	100+	4-6	

- Drill out with water and or mud as hole conditions dictate. After mud-up, allow the system to revert to a fresh water polymer system.
- As mud weight is increased, seepage losses can become severe. Treat with LCM pills as needed. If pill treatments will not
 contain the losses at reasonable levels, by-pass the shakers, retaining the pills and allowing the LCM concentration to increase as needed.
- Hole instability can occur in the Mesa Verde in this area. If encountered, consider adding Asphalt, building to a 4-6 ppb concentration.
- High pressure may be encountered in the Blackhawk. Monitor closely for increased pressure while drilling and use caution on trips to minimize possible swabbing.
- Mud weight at Intermediate #2 T.D. is expected to be in the 10.5-11.0 ppg range.
- The use of ECD pills for trips to maintain a low mud weight for drilling has been used successfully on offset wells.
- Spotting a LCM pill on bottom during trips has decreased losses in the area.

Challenges:	Strategies:
Hole Instability/Sloughing Shale	Consider 4-6 ppb Asphalt
Increase in Formation pressure	Monitor well conditions and increase density as needed with NewBar as needed.
Seepage/Lost Circulation	As mud weight is increased (10.0ppg +) seepage and losses may become a problem. For seepage pump 50 bbl sweeps with 5-10 ppb DynaFiber and 10-20 ppb NewCarb as needed. For partial or total losses pump sweeps with 10-15 ppb FiberSeal and Cedar Fiber . Severity of losses will determine size and quantity of LCM added. If losses are not controlled with sweeps consider 10-15% LCM in active system. For severe losses the use of a New X-Prima squeeze should be considered.
Differential Sticking	Maintain mud weight as low as possible. Control Low Gravity Solids below 6%, and control fluid loss at 8-10 mls/30 min.
Increase ROP with PDC Bits	Pump 20-40 bbl. Sweeps with NewEase 203, New100N, DynaDet, and SAPP. (FlexDrill Sweeps)



2nd Intermediate Interval

8-1/2" Hole (5,084'-12,087')

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Uintah. County Utah

Offset Data:

Wells in this area have experienced losses as mud weights are increased to control formation pressure. LCM sweeps are strongly recommended for this reason. Mud weights should be keep as low as practical but increases to 11.2 ppg may be required by 2nd Intermediate TD at 12,087'.

- Loss zones on offset wells were at 9200 ft and 9500 ft.
- Losses were encountered at 10,200' on the WV 11AD-14-8-21

Fluid Recommendations:

- Drill out cement, float collar and new formation with the system from the previous interval. Test the integrity of the casing seat and squeeze if necessary.
- Drill out with water and or mud. If drilling out with water consider a mud up by +/- 7500 ft or as hole conditions
 dictate.
- Begin additions of 0.5-1.0 ppb NewPHPA and maintain throughout the interval.
- Maintain viscosity with PreHydrated NewGel until chlorides have dropped below 5000-7000 mg/l. After chlorides have dropped NewGel will not need to be pre-hydrated and can be added directly to the system.
- Begin additions of NewPHPA. Concentration of NewPHPA should be maintained at 0.5-1.0 ppb throughout the interval. As mud weight increases additions of PHPA should be switched from NewPHPA DLMW to the shorter chain NewPHPA DSL.
- If hole conditions dictate, consider 4-6 ppb Asphalt.
- If penetration rates slow sweeps with New 100N, NewEase 203, SAPP, and DynaDet should be considered.
 (1% New 100N, 1% NewEase 203, 0.5-0.75 ppb SAPP, 0.2 % DynaDet). "Flex Sweeps"
- Increase mud weight as needed to control formation pressures as needed. Mud weights should be maintained
 as low as practical to reduce chance of losses and differential sticking. Increase mud weight as needed with
 NewBar.
- As density increases additions of NewEdge and/or DrillThin should be added for rheology control.
- As bottom hole temperatures increase and additional fluid loss control is desired supplement the AquaBlock with NewPac for fluid loss control Lower API filtrate to 6-8 cc's with additions of NewPAC and AquaBlock.
- As mud weight is increased seepage and/or lost circulation may become a problem. For seepage pump 20-30 bbl pills containing a combination of NewCarb and DynaFiber mixed at a 2:1 ratio. If partial or total returns are encountered, LCM sweeps with a varied size distribution including Cedar Fiber and Fiber Seal, PhenoSeal and other assorted sizes should be considered and incorporated into the system as needed. 20-25% LCM in the active system may be required. The type, size and quantity of LCM used will depend on the severity of losses. If losses are severe a New X-Prima squeeze should be considered.
- At TD increase funnel viscosity for logs and casing operations as hole conditions dictate. Suggest funnel viscosity be increased to 50-55 sec/qt, before logging or casing operations be attempted.
- While circulating casing it is recommended to reduce Yield Points for cementing operations.

Production Interval

6-1/8" Hole (12,087'-16,397')

Questar
Exploration & Production

<u>WV 7A-24-8-21</u>
Sec 24T-8S-R21E
Uintah, County Utah

Production Interval Drilling Fluid Properties										
Depth Interval (TVD)	Depth Mud Plastic Yield O/W HPHT Excess Electrical Low CaCl Interval Weight Viscosity Point Ratio Fluid Loss Lime Stability Gravity Mg/l									
12,087'-16,397'	15.0-15.5	25-35	8-10	85:15	10-20	2-4	500+	< 6	300K	

Drilling Fluid Recommendations: (12,087'-16,397')

- Displace to a OptiDrill OBM after finishing the casing job at 12,087'.
- After displacement, maintain the OptiDrill system within the parameters outlined above.
- Offsets in the area have encountered high rates of seepage in this interval. If indications of seepage are observed, sweeps of NewCarb C, Dynafiber C & M, NewSeal, and CyberSeal are recommended. Mixing ratios are recommended to be at 5:1 NewCarb M to DynaFiber, NewSeal, and CyberSeal. If losses continue to be a problem, consider trying different sizes and combinations until ssepage is slowed.
- Maintain rheology low to reduce ECD values and reduce surge and swab during connections and trips.
- Drill as underbalanced as possible to help prevent losses and increase penetration rates.
- For pressure control, spot high weight pills with an equivalent mud weight to drilling ECD's. On trips in, stage these pills out and divert to storage for further use. High weight pills in excess of the drilling ECD should be avoided due to possible lost circulation.

Challenges	Strategies							
Displacement	Have 1200-1300 bbls of OBM volume on location along with a pump capable of keeping up with displacement rates.							
	• Pump a 10-20 bbl viscosified OBM spacer ahead of the OpyiDrill (enough for 500 ft + separation)							
	• A steady pump rate for either turbulent or plug flow should be used. Reciprocate and rotate to assist in minimizing channeling.							
	Do not shut down once displacement commences.							
	Should any contamination occur, isolate the contaminated fluid for reconditioning.							
Seepage/lost Circulation.	Pump LCM sweeps when seepage and/or losses are indicated. Sweeps should be a mixture of, NewCarb, DynaFiber, NewSeal, and CyberSeal. If lost returns are encountered, consider a Diaseal M or cross linked polymer squeeze.							
Maintaining Oil wet solids	For every 1.0 ppg mud weight increase, mix 0.02 gal/bbl OptiWet							
Pressure control	Spot weighted pills calculated to give a bottom hole pressure equal to drilling ECD.							
	• Do not exceed drilling bottom hole pressure with the ECD pill. Lost circulation has been a problem on offset wells.							
	• Stage weighted pills out of the hole and recover for future use.							



Production Interval

6-1/8" Hole (12,087'-16,397')

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Maintenance Procedure:

- **HPHT** Maintain HPHT values within programmed parameters. Additions of **OptiMul** and **OptiPlus**, at recommended concentrations should maintain the HTHP at recommended levels. If hole conditions indicate a need for lower HPHT values, **Opti G** at 2-4 ppb is recommended.
- Electrical Stability— Electrical stability should be used as a guide not as an absolute in determining maintenance requirements. Actual values are not critical but should be observed for trends or changes. Decreases in electrical stability should be noted along with other mud properties to determine treatments. To increase electrical stability add emulsifiers and wetting agents OptiMul and OptiPlus or decrease water content.
- Oil/Water Ratio Maintain the oil/water ratio in the 90:10-80:20 range depending on mud weight and condition.. Higher water content will decrease the amount of OptiVis needed for rheology.
- **Mud weight** Maintain minimum fluid densities with solids equipment. Monitor hole conditions and all drilling parameters closely for indications of increases in formation pressures and adjust fluid densities accordingly. Drilling with a minimum amount of overbalance will reduce the possibility of losing returns and/or of differentially sticking the drill string. Mud weight on offset wells was in the 15.0-15.5 ppg range at T.D.
- Rheology Maintain solids as low as possible. Increase rheology as needed for hole cleaning with a combination of OptiVis (Bentone 910) and Opti Vis RM or Opti Vis PS and water content.
- **Lime** Maintain the excess Lime at 2-3 ppb excess.
- Hole cleaning Calculate rheology requirements based on ROP, pump rates and hole conditions. Adjust as needed.
- Mud losses downhole—Monitor ECD's with Hy-Calc, maintaining the lowest values possible. If losses are encountered; sweeps containing NewCarb, DynaFiber, Opti-G, and NewSeal should be circulated to aid in the prevention of losses. If seepage losses continue and/or become severe, consider spotting a pill with Magma Fiber (Fine & Regular) and the above formulation. Keep the hole full at all times, and avoid excessive swabbing and/or surge actions when tripping.
- Solids Control Maintain low gravity solids at 4-6 % by volume. The high performance shakers should be equipped with the finest mesh screens that will handle the circulating volume and not cut barite out.
- Water Contamination Keep all water sources off the mud pits. If contamination occurs, treat with emulsifiers and Calcium Chloride as needed.



Production Interval

6-1/8" Hole (12,087'-16,397')

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Recommended materials for relaxed filtrate OptiDrill system : (85:15 Oil/Water Ratio)

Product	Function	Concentration As needed		
NewBar	Weighting material			
OptiVis	Organophilic Clay / Viscosifier	2-4 ppb		
OptiMul	Primary Emulsifier	2.0 ppb		
OptiPlus	Secondary Emulsifier	4.0 gal/bbl.		
OptiVis RM	Low End Rheology Modifier	0.1-0.2 ppb		
Calcium Chloride Water	Internal Phase	10.0%-20.0 % by volume		
Calcium Chloride	Salinity/Activity	300,000 - 350,000 mg/l		
OptiG	Fluid Loss control Additive	1.0-4.0 ppb		
Lime	Alkalinity Additive	5 ppb		
NewCarb M	Loss Circulation Material	10.0 ppb		
NewCarb F	Loss Circulation Material	As required		
DynaFiber	Loss Circulation Material	As required		



QUESTAR EXPLORATION AND PRODUCTION COMPANY WELLSITE CUTTINGS MANAGEMENT PLAN

UINTA BASIN PROJECT AREA WV 7A-24-8-21

Township: 8 South, Range 21 East

Uintah County, Utah

UINTA BASIN CUTTINGS MANAGEMENT PLAN Solidifying / Stabilizing Cuttings Pits

1. PROJECT DESCRIPTION

We drill and set conductor, then drill, case and cement surface casing, then drill, run casing, and cement intermediate sections, then finally drill the production holes. This insures that surface water is protected and is not exposed to more saline waters and that treatable water is not exposed to oil based mud (OBM). In addition, water and oil is skimmed off during the various phases for reuse and to minimize the fluid levels in the pit.

The wells to be drilled use oil base drilling fluid during the production section of each well. As the production section of the well is drilled, drill cuttings will be generated and separated from the drilling fluid, then deposited in a single on-site waste pit with synthetic liners (cuttings pit). These oil base mud cuttings (OBMC) are expected to contain elevated levels of adhered entrained hydrocarbons due to their prior contact with the OBM. The OBMC will be collected in a steel catch tank as drilling progresses, moved to the cuttings pit by a wheel loader, and mixed with the water based cuttings generated during drilling of the upper sections of the wellbore.

A state approved contractor will treat the waste placed in the cuttings pit using the solidification/stabilization (S/S) process described below. Prior to beginning the S/S process, the contractor will collect samples of the contents of the cuttings pit for criteria verification. The waste will be treated in place inside the pit and contractor will finish by backfilling the pit constituting final disposal of the drilling waste.

2. GENERAL DESCRIPTION OF THE SOLIDIFICATION/STABILIZATION PROCESS

The S/S process involves the controlled addition of a specially blended Portland-cement-based reagent to the drilled cuttings, OBM and WBM solids and liquids, and makeup water as required followed by through mixing of the reagent with the waste to form homogeneous slurry. Hydrocarbons and chlorides in the waste are broken up into very small droplets or "particles" and these particles are dispersed throughout the reagent/waste mixture during the mixing phase. After the mixing phase, an irreversible chemical reaction occurs between the cementitious reagent and water present in the slurry causing the slurry mixture to rapidly transform into a solid granular material. The previously dispersed and isolated particles are immobilized to a very high degree within the interlocked cementitious lattice of each solidified granule. This waste treatment process prevents the hydrocarbons or chlorides from re-coalescing within the processed waste form and reduces their release to the surrounding environment. Chemical properties imparted by the process also stabilize various metals, if present in the waste, by transforming them into less-soluble forms. This in conjunction with the physical entrapment of metals within each solidified granule greatly reduces their availability to the surrounding environment. In summary S/S rapidly transforms physically unstable waste into a stable solid material and reduces the leaching rate of target constituents to such a degree that they can no longer cause harm to the surrounding environment.

3. ESTIMATED VOLUMES PER WELL

Section	Тор	Bottom	Size	Volume, ft3	Swell	Excess	Tot Vol, ft3	Tot Vol, bbl
Surface	60	500	17.5	735.01	1.3	1.7	1624.38	289.29
Intermediate	500	5084	12.25	3752.17	1.3	1.4	6828.95	1216.20
Intermediate	5084	12087	8.5	2759.86	1.3	1.4	5022.95	894.56
Production	12087	16397	6.125	881.97	1.3	1.3	1490.53	265.46
Additional Vol	lume						1937.03	345.00
Total per Wel	l						16903.84	3010.50

4. Project Objectives

The S/S objectives are:

- 1 To permanently reduce the leaching rate of target constituents to at or below prescribed limits for confinement in the soil.
 - 1.1 Leachable Oil and Grease will be less than 10 mg/L.

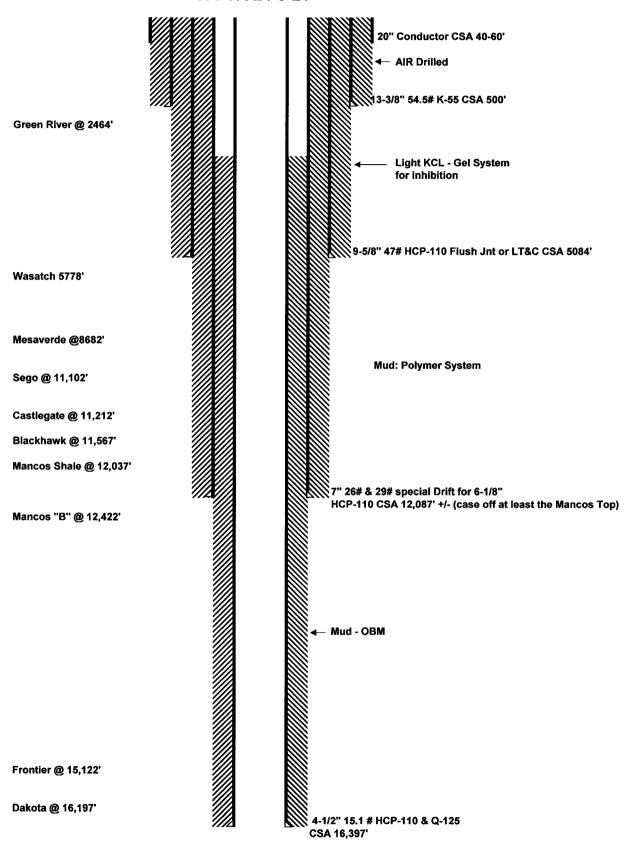
UINTA BASIN CUTTINGS MANAGEMENT PLAN Solidifying / Stabilizing Cuttings Pits

- 1.2 Leachable Total Dissolved Solids will be less than 5000 mg/L and/or leachable salts will be below acceptable site-specific quidelines.
- 1.3 Compliance with the performance criteria will be certified by a third party accredited testing laboratory utilizing the appropriate tests as prescribed. Laboratory test results will be documented in a closure report submitted to the client and to the required regulatory agencies as may be required after completion of the project.
- 2 To solidify the unconsolidated waste to support backfilling soil cover and resist subsidence.
- 3 Rapid solidification of the waste to reduce pit closure time.
- 4 Minimize waste volume increase to maximize depth of native soil cover over processed material.

5. CONTRACTOR ACTIVITIES

- 1. Contractor will collect samples of the raw waste and bench test to determine S/S reagent formulation and reagent/waste mix ratios necessary to achieve performance criteria.
- 2. Contractor will deliver equipment and experienced personnel to the site.
- Contractor supervisor will conduct a job site safety assessment with crew discussing relevant site safety hazards, required PPE, and accident avoidance. Contractor safety meetings will be held prior to each day's work throughout the project.
- 4. Contractor and client representative will determine the final actual volume of contents to treat in each pit at the subject site prior to commencing operations.
- 5. Contractor will construct proper storm drainage protection, if necessary, to surround the pit areas during the project.
- Contractor will perform preliminary admixing of each pit's contents prior to S/S reagent introduction and prepare the site to facilitate waste processing. Care will be taken to maintain waste containment throughout all processing phases.
- 7. Contractor will prepare and deliver S/S reagents to the site. Reagents will be added to the pit waste utilizing a special filter-equipped discharge hopper.
- 8. Contractor will perform the S/S on the waste in-situ in order to chemically solidify the waste and immobilize target constituents of concern within the processed material.
- 9. After processing all the waste, contractor will collect a composite sample of the processed pit material and submit the sample to a certified third party laboratory for analysis to verify the processed material complies with criteria indicated in the Project Objectives, Section 4.
- 10. Contractor will place a minimum of three feet (3') of native spoil over the S/S material in the pit in order to backfill to the adjacent grade constituting final disposal of the processed material. Spoil for backfilling will be taken from existing excavated spoils at the site.
- 11. Contractor will then promptly demobilize equipment and personnel concluding site operations.

WV 7A-24-8-21



QUESTAR EXPLORATION & PRODUCTION, CO. WV 7A-24-8-21 1657' FNL 1342' FEL SWNE, SECTION 24, T8S, R21E UINTAH COUNTY, UTAH LEASE # UTU-0810

ONSHORE ORDER NO. 1

MULTI - POINT SURFACE USE & OPERATIONS PLAN

1. Existing Roads:

The proposed well site is approximately 11 miles East of Ouray, Utah.

Refer to Topo Maps A and B for location of access roads within a 2 - mile radius.

2. Planned Access Roads:

Refer to Topo Map B for the location of the proposed access road.

3. Location of Existing Wells Within a 1 – Mile Radius:

Please refer to Topo Map C.

4. Location of Existing & Proposed Facilities:

Refer to Topo Map D for the location of the proposed pipeline.

5. Location and Type of Water Supply:

Fresh water will be obtained from Wonsits Valley water right # A36125 (which was filed on May 7, 1964,) or Red Wash water right # 49-2153 (which was filed on March 25, 1960). It was determined by the the Fish and Wildlife Service that any water right number filed before 1989 is not depleting to the Upper Colorado River System, to supply fresh water for drilling purposes.

6. Source of Construction Materials:

Surface and subsoil materials in the immediate area will be utilized. Any gravel will be obtained from a commercial source. The use of materials under BLM jurisdiction will conform with 43 CFR 3610.2-3.

7. Methods of Handling Waste Materials:

Drill cuttings will be contained and buried in the reserve pit. Drilling fluids, including salts and chemicals, will be contained in the reserve pit. Upon termination of drilling and completion operations, the liquid contents of the reserve pit will be used at the next drill site or will be removed and disposed of at an approved waste disposal facility with 90 days after drilling is terminated. Immediately upon well completion, any hydrocarbons in the pit shall be removed in accordance with 43 CFR 3162.7-1.

After first production, produced wastewater will be confined to the approved pit or storage tank for a period not to exceed 90 days. During the 90 day period, in accordance with Onshore Order #7, all produced water will be contained in tanks on location and then hauled to Wonsits Valley location in SWNW Sec. 12, T8S, R21E; or Red Wash Disposal Well located in NESW, Sec. 28, T7S, R22E or, Red Wash Central Battery Disposal located in SWSE, Section 27, T7S, R23E. Pit reclamation for lined pit will be ruptured when emptied to allow the remaining liquid to be adequately mixed and to promote additional drying of the pit area.

See additional information for oil base mud under the Drilling Program #9.

8. Ancillary Facilities:

None anticipated.

9. Well Site Layout: (See Location Layout Diagram)

The attached Location Layout Diagram describes drill pad cross-sections, cuts and fills and locations of the mud tanks, reserve pit, flare pit, pipe racks, trailer parking, spoil dirt stockpile(s), and surface material stockpile(s).

Please see the attached diagram to describe rig orientation, parking areas, and access roads.

A pit liner is required felt if rock encountered.

10. Plans for Reclamation of the Surface:

Topsoil will be stripped and salvaged to provide for sufficient quantities to be respread to a depth of at least 4 to 6 inches over the disturbed areas to be reclaimed. Topsoil shall be stock piled separately from subsoil materials. Topsoil salvaged from the reserve pit shall be stockpiled separately near the reserve pit. Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, materials, trash, and debris not required for production. Alternatively, the pit will be pumped dry, the liner folded into the pit, and the pit backfilled. The reserve pit will be reclaimed within 120 days from the date of well completion, weather permitting.

11. Surface Ownership:

The well pad and access road are located on lands owned by:

Ute Tribe P.O. Box 70 Fort Duchesne, UT 84026

12. Other Information:

A Class III archaeological survey was conducted by Montgomery Archaeology Consultants. A copy of this report was submitted directly to the appropriate agencies by Montgomery Archaeology Consultants. Cultural resource clearance was recommended for this location.

Lessee's or Operator's Representative:

Jan Nelson Red Wash Rep. Questar Exploration & Production, Co. 11002 East 17500 South Vernal, Utah 84078 (435) 781-4331

Certification:

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil & Gas Orders, the approved plan of operations, and any applicable Notice to Lessees.

QEP will be fully responsible for the actions of their subcontractors.

A complete copy of the approved Application for Permit to Drill will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by QEP it's contractors and subcontractors

in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

Jan Nelson Date

Red Wash Representative

QUESTAR EXPLR. & PROD.

WV #7A-24-8-21

LOCATED IN UINTAH COUNTY, UTAH SECTION 24, T8S, R21E, S.L.B.&M.

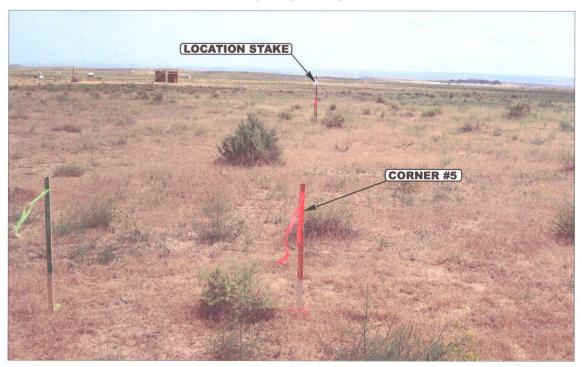


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: SOUTHEASTERLY

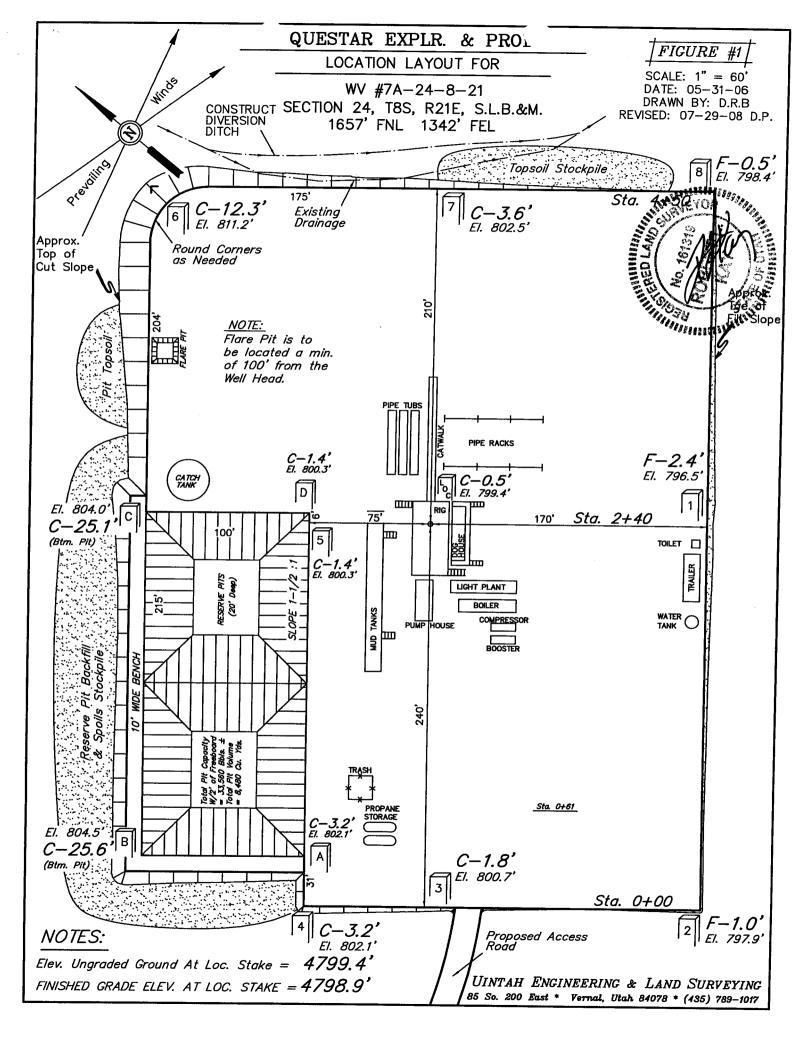


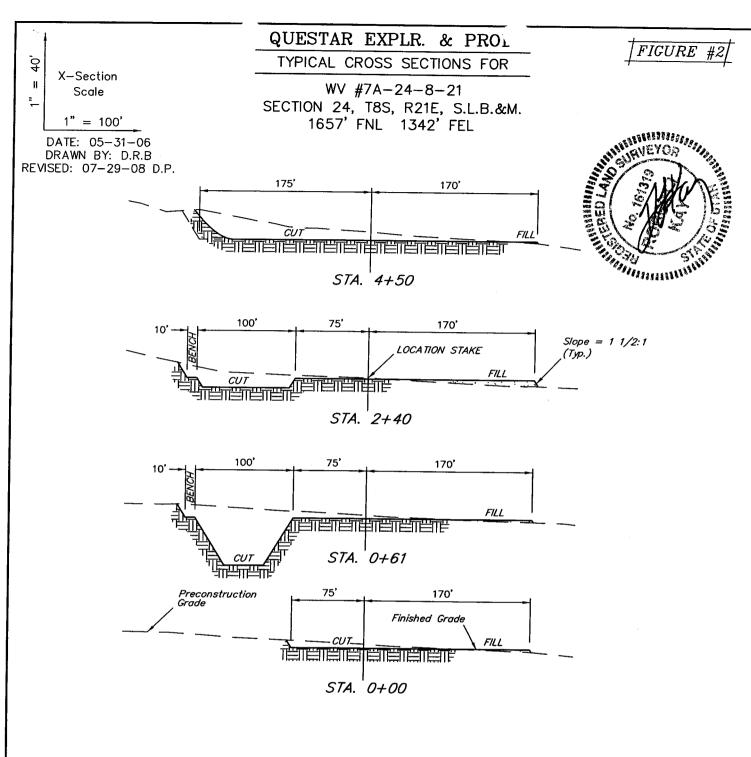
PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: NORTHEASTERLY









APPROXIMATE ACREAGES

WELL SITE DISTURBANCE = ± 5.579 ACRES

ACCESS ROAD DISTURBANCE = ± 0.483 ACRES

PIPELINE DISTURBANCE = ± 0.883 ACRES

 $TOTAL = \pm 6.945 ACRES$

* NOTE: FILL QUANTITY INCLUDES 5% FOR COMPACTION

APPROXIMATE YARDAGES

Topsoil should not be

Stripped Below Finished Grade on Substructure Area.

CUT

NOTE:

(12") Topsoil Stripping = 6,270 Cu. Yds.

Remaining Location = 16,710 Cu. Yds.

TOTAL CUT = 22,980 CU.YDS.

FILL = 3,830 CU.YDS.

EXCESS MATERIAL

= 19,150 Cu. Yds.

Topsoil & Pit Backfill

= 10,510 Cu. Yds.

(1/2 Pit Vol.)

EXCESS UNBALANCE

= *8,640* Cu. Yds.

(After Interim Rehabilitation)

UINTAH ENGINEERING & LAND SURVEYING 85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

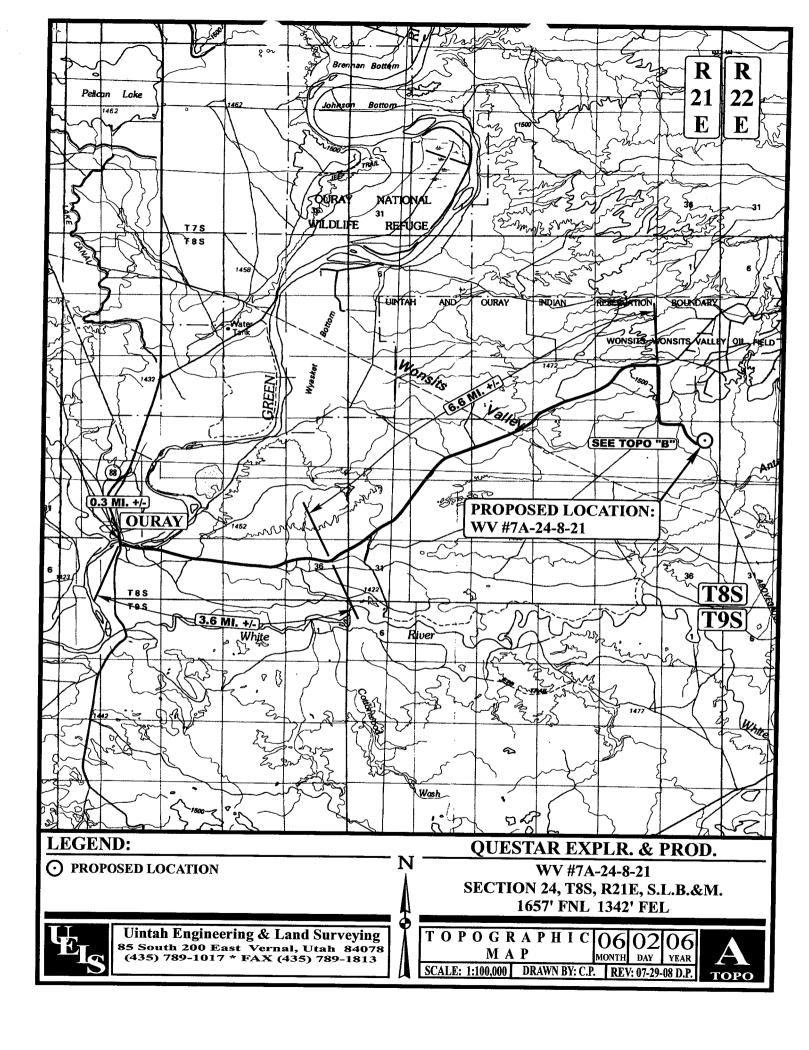
QUESTAR EXPLR. & PROLINTERIM RECLAMATION PLAN FOR

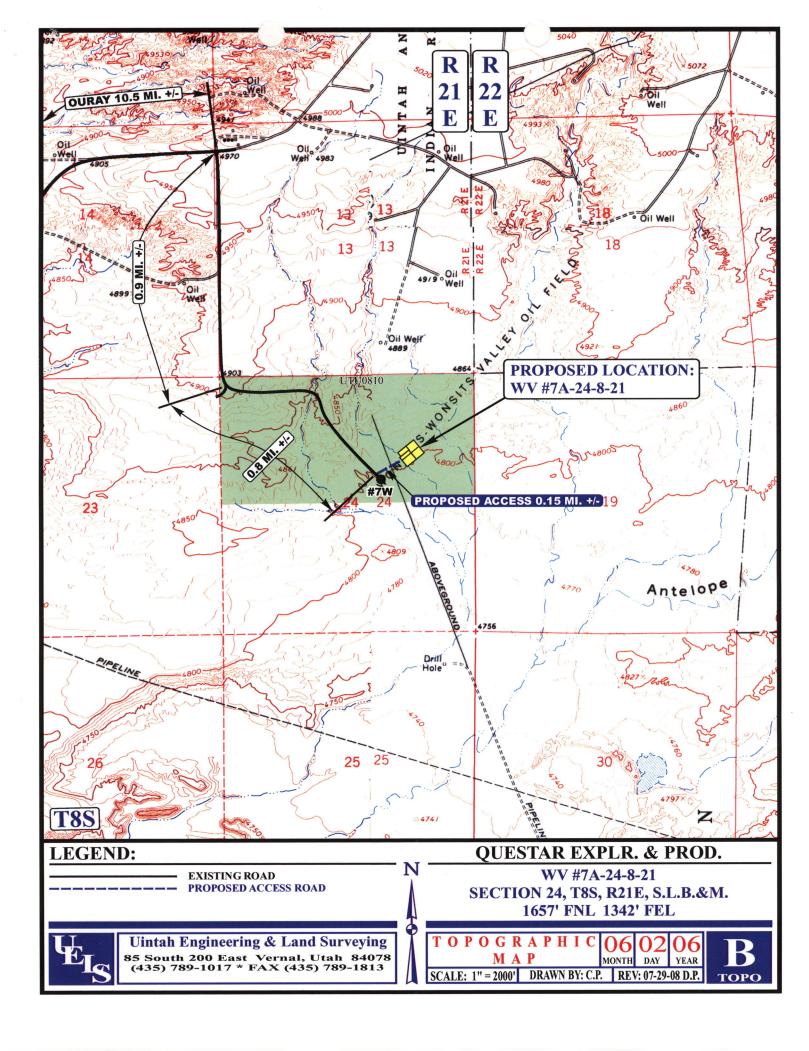
FIGURE #3

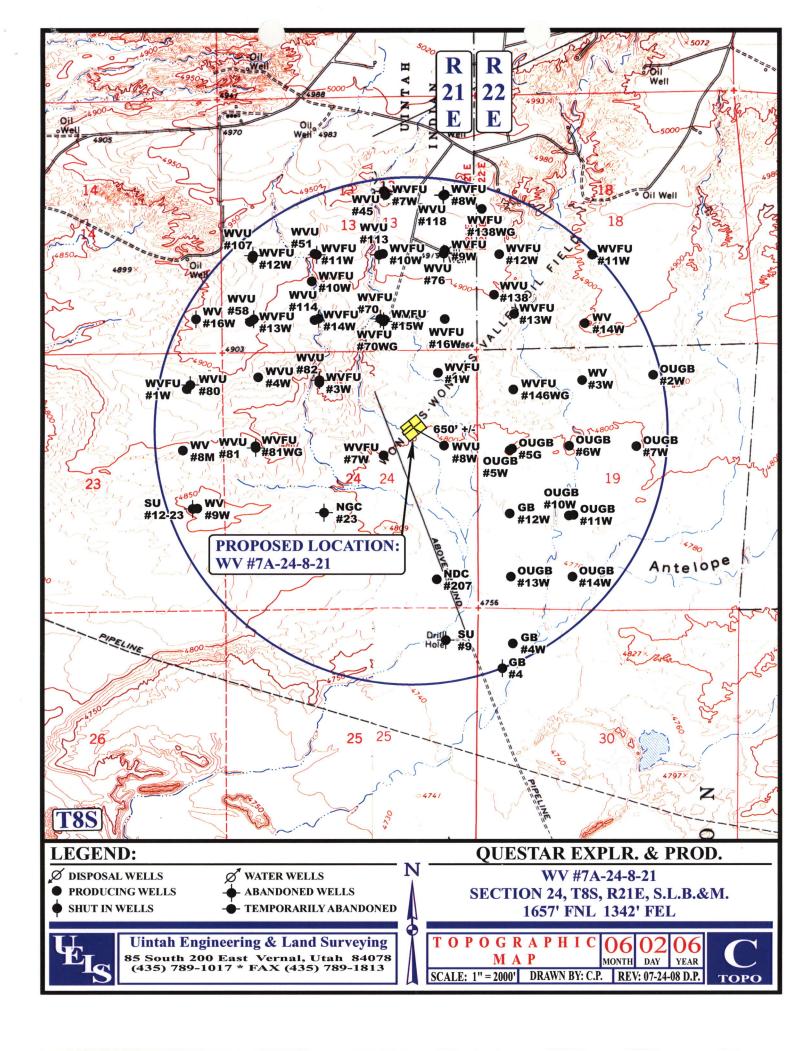
SCALE: 1" = 60'
DATE: 05-31-06
DRAWN BY: D.R.B
REVISED: 07-29-08 D.P.

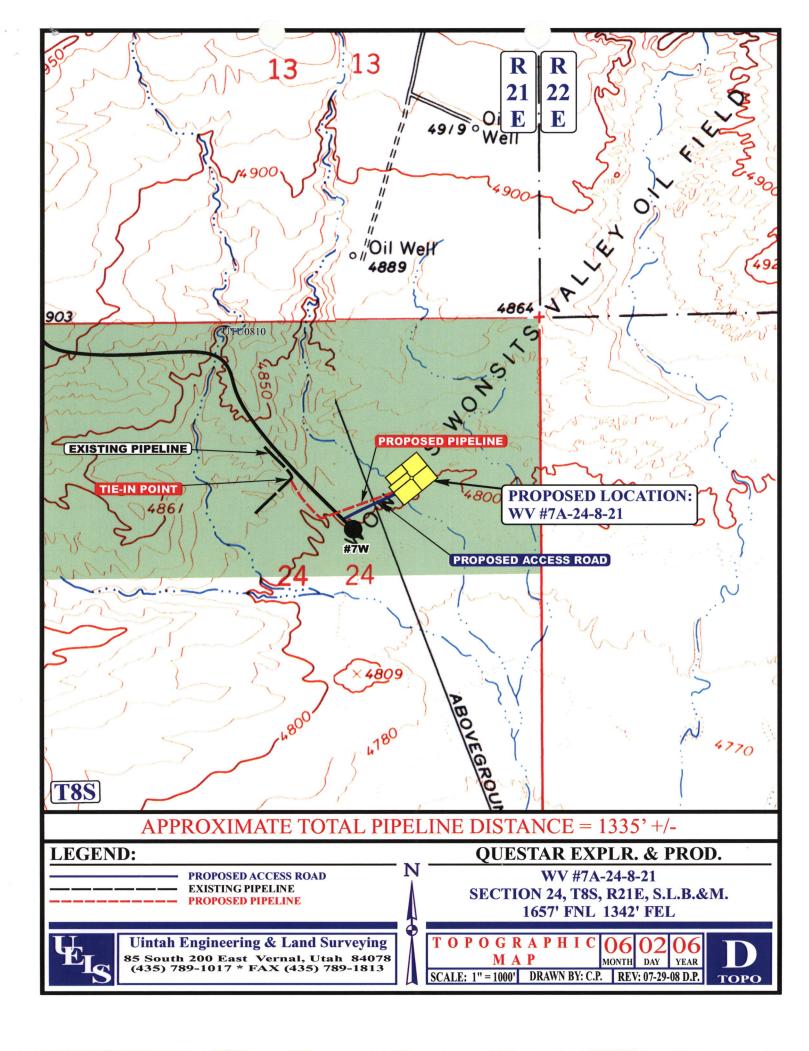
WV #7A-24-8-21 SECTION 24, T8S, R21E, S.L.B.&M. 1657' FNL 1342' FEL

OWELL HEAD Access Road INTERIM RECLAMATION UINTAH ENGINEERING & LAND SURVEYING 85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017



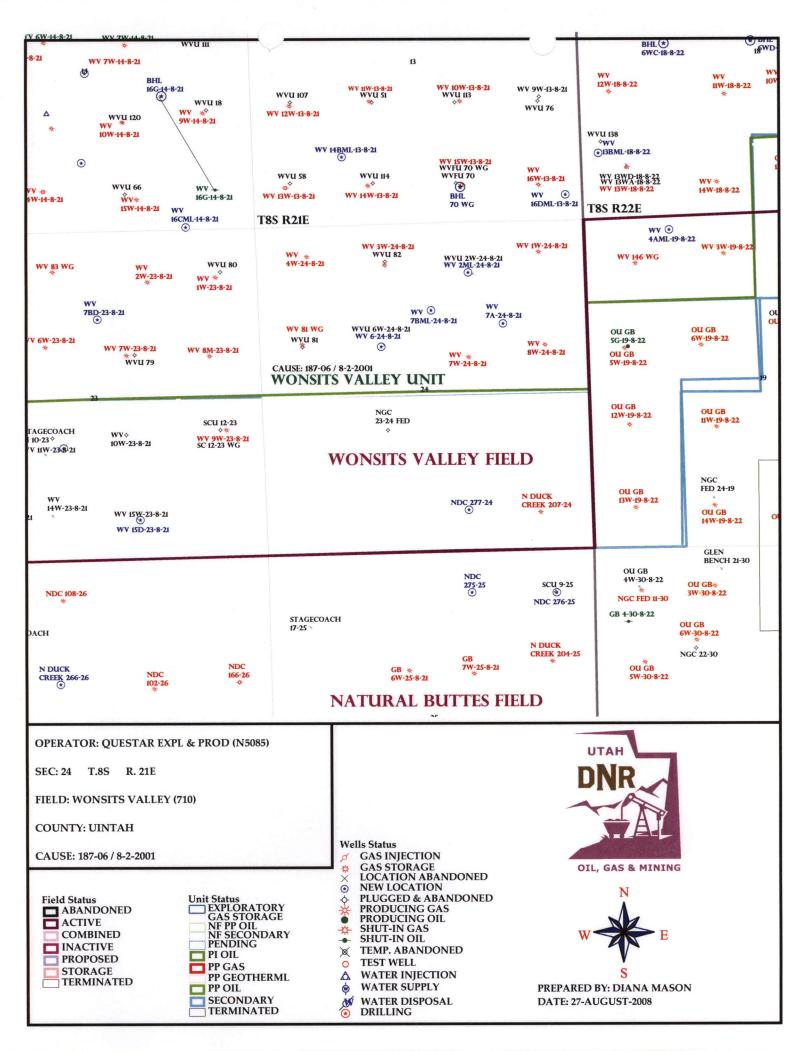






WORKSHEET APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 08/14/2008	API NO. ASSIGNED: 43-047-40331
WELL NAME: WV 7A-24-8-21 OPERATOR: QUESTAR EXPLORATION & (N5085) CONTACT: JAN NELSON	PHONE NUMBER: 435-781-4331
PROPOSED LOCATION:	INSPECT LOCATN BY: / /
SWNE 24 080S 210E SURFACE: 1657 FNL 1342 FEL	Tech Review Initials Date
BOTTOM: 1657 FNL 1342 FEL	Engineering
COUNTY: UINTAH LATITUDE: 40.11198 LONGITUDE: -109.4970	Geology
UTM SURF EASTINGS: 628093 NORTHINGS: 44410	Surface
FIELD NAME: WONSITS VALLEY (710 LEASE TYPE: 1 - Federal LEASE NUMBER: UTU-0810 SURFACE OWNER: 2 - Indian	PROPOSED FORMATION: DKTA COALBED METHANE WELL? NO
RECEIVED AND/OR REVIEWED:	LOCATION AND SITING:
Plat Bond: Fed[1] Ind[] Sta[] Fee[] (No. ESB000024) Potash (Y/N) Oil Shale 190-5 (B) or 190-3 or 190-13 Water Permit (No. 49-2153) RDCC Review (Y/N) (Date:) Fee Surf Agreement (Y/N) Nin Intent to Commingle (Y/N)	R649-2-3. Unit: WONSITS VALLEY R649-3-2. General Siting: 460 From Qtr/Qtr & 920' Between Wells R649-3-3. Exception ✓ Drilling Unit Board Cause No: 187-06 Eff Date: 8-2-2001 Siting: 460' fr knit boundars R649-3-11. Directional Drill
STIPULATIONS:	approx of O



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155

Salt Lake City, Utah 84145-0155

IN REPLY REFER TO: 3160 (UT-922)

September 4, 2008

Memorandum

To:

Assistant District Manager Minerals, Vernal District

From:

Michael Coulthard, Petroleum Engineer

Subject:

2008 Plan of Development Wonsits Valley Unit Uintah

County, Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following well is planned for calendar year 2008 within the Wonsits Valley Unit, Uintah County, Utah.

API#

WELL NAME

LOCATION

(Proposed PZ Dakota)

43-047-40331 WV 7A-24-8-21 Sec 24 T08S R21E 1657 FNL 1342 FEL

This office has no objection to permitting the well at this time.

/s/ Michael L. Coulthard

bcc

File - Wonsits Valley Unit

Division of Oil Gas and Mining

Central Files Agr. Sec. Chron Fluid Chron



State of Utah DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

September 8, 2008

Questar Exploration & Production Company 11002 E 17500 S Vernal, UT 84078

Re: WV 7A-24-8-21 Well, 1657' FNL, 1342' FEL, SW NE, Sec. 24, T. 8 South, R. 21 East,

Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann.§ 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-40331.

Sincerely,

Gil Hunt

Associate Director

pab Enclosures

cc: Uintah County Assessor

Bureau of Land Management, Vernal Office



Operator:	Questar Exploration & Production Company						
Well Name & Number	WV 7A-24-8-21						
API Number:	43-047-40331						
Lease:	UTU-0810						
Location: SW NE	Sec. 24_	T. <u>8 South</u>	R. 21 East				

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division with 24 hours of spudding the well.

• Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

• Contact Dustin Doucet at (801) 538-5281 office (801) 733-0983 home

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

RECEIVED

Form 3160-3

AUG 1 3 2008

FORM APPROVED

OMB NO. 1040-0136 Expires: February 28, 1995

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT V^{\dagger}	RECEIVED BEN ERNAL FIELD OF BEN

5. LEASE DESIGNATION AND SERIAL NO.

BUREAU OF LAND MANAGEMENT	The first that we will be a first that the first th	UTU-	0810
	- 11 - M	6. IF INDIAN, ALLOTTEE	OR TRIBE NAME
APPLICATION FOR PERMIT TO DRIL	LOR DEEPEN 1 1	UTET	RIBE
TYPE OF WORK		7. UNIT AGREEMENT NAM	IE
DRILL ☑ DEĘP	ENPOFTHE INTERIOR	WONSITS VA	ALLEY UNIT
TYPE OF WELL	REAU OF LAND MIGHT	8. FARM OR LEASE NAME	, WELL NO.
	TIPLE)		
SINGLE MOL DIL WELL GAS WELL OTHER ZONE ZO	NE	WV 7A-	24-8-21
2. NAME OF OPERATOR Contact: Ja		9.API NUMBER:	
	Mail: jan.nelson@questar.com	43-047-4	0331
3. ADDRESS Telphone no		10. FIELD AND POOL, OR	
	e 435-781-4331 Fax 435-781-4395	WONSITS	and the second s
1. LOCATION OF WELL (Report location clearly and in accordance w	vith and State requirements*)	11. SEC.,T, R, M, OR BLK	& SURVEY OR AREA
At Surface 1657' FNL 1342' FEL, SWNE, SECT	•		
At proposed production zone		SEC. 24, T8S, I	R21E Mer SLB
14. DISTANCE IN MILES FROM NEAREST TOWN OR POSTOFFICE*		12. COUNTY OR PARISH	13. STATE
11 + / - MILES EAST OF OURAY, UTAH	· · · · · · · · · · · · · · · · · · ·	Uintah	UT
15. DISTANCE FROM PROPOSED LOCATION TO NEAREST	16.NO.OF ACRES IN LEASE	17. NO. OF ACRES ASSIG	NED TO THIS WELL
PROPERTY OR LEASE LINE, FT.	1		
(also to nearest drig, unit line if any)	320.00	2	0
1342' +/-			
18.DISTANCE FROM PROPOSED location to nearest well, drilling,	19. PROPOSED DEPTH	20. BLM/BIA Bond No. on	file
completed, applied for, on this lease, ft	16,397	ESB000024	
650' +/-			
21. ELEVATIONS (Show whether DF, RT, GR, ect.)	22. DATE WORK WILL START	23. Estimated duration	
4799.4' GR	ASAP	70 Days	
24. Attachments			
	have Oil and Oce Order No. 4, shall be a	ttacked to this forms	
The following, completed in accordance with the requirments of Ons	•		n filo (coo
I. Well plat certified by a registered surveyor. 2. A Drilling Plan	4. Bond to cover the operations unless	s covered by an existing bond, of	n me (see
3. A surface Use Plan (if location is on National Forest System Lands,	Item 20 above).		•
the SUPO shall be filed with the appropriate Forest Service Office).	5. Operator certification.6. Such other site specific information	and/or plane as may be required	d by the
,	authorized officer.	and/or plans as may be required	
	autionzed officer.		.
Va. (J K			
SIGNED Name (print	ed/typed) Jan Nelson	DATE	8-13-08
TITLE/ Regulatory Affairs		<u> </u>	
(This space for Federal or State office use)			
V			

Assistant Field Manager

A MSS# <u>08JMOJYSA</u>

CONFIDENTIAL

NOV 12 2008

CONDITIONS OF APPROVAL ATTACHE

NOV 2 0 2008

DIV. OF OIL, GAS & MINING

NOTICE OF APPROVAL

APPROVED BY



UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT VERNAL FIELD OFFICE

VERNAL FIELD OFFICE VERNAL, UT 84078

(435) 781-4400



CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

Company: Well No:

Questar Exploration and Production

Location:

SWNE, Sec.24, T8S, R21E

WV 7A-24-8-21

Lease No:

UTU-0810

API No: 43-047-40331 Agreement: Wonsits Valley Unit

Title Petroleum Engineer: Petroleum Engineer:	Name Matt Baker Michael Lee	Office Phone Number (435) 781-4490 (435) 781-4432	Cell Phone Number (435) 828-4470 (435) 828-7875
Petroleum Engineer:	James Ashley	(435) 781-4470	(435) 828-7874
Petroleum Engineer:	Ryan Angus	(435) 781-4430	(435) 828-7368
Supervisory Petroleum Technician:	Jamie Sparger	(435) 781-4502	(435) 828-3913
Supervisory NRS:	Karl Wright	(435) 781-4484	(435) 828-7381
NRS/Enviro Scientist:	Holly Villa	(435) 781-4404	(435) 828-3544
NRS/Enviro Scientist:	James Hereford	(435) 781-3412	
NRS/Enviro Scientist:	Chuck Macdonald	(435) 781-4441	(435) 828-7481
NRS/Enviro Scientist:	Dan Emmett	(435) 781-3414	
NRS/Enviro Scientist:	Paul Percival	(435) 781-4493	
NRS/Enviro Scientist:	Michael Cutler	(435) 781-3401	(435) 828-3546
NRS/Enviro Scientist:	Anna Figueroa	(435) 781-3407	(435) 828-3548
NRS/Enviro Scientist:	Verlyn Pindell	(435) 781-3402	(435) 828-3547
NRS/Enviro Scientist:	Darren Williams	(435) 781-4447	(435) 828-4029
NRS/Enviro Scientist:	Nathan Packer	(435) 781-3405	(435) 828-3545
		Fav. (435) 781-3490	

Fax: (435) 781-3420

A COPY OF THESE CONDITIONS SHALL BE FURNISHED TO YOUR FIELD REPRESENTATIVE TO INSURE COMPLIANCE

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR Part 3160), and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations. This permit is approved for a two (2) year period, or until lease expiration, whichever occurs first. An additional extension, up to two (2) years, may be applied for by sundry notice prior to expiration.

NOTIFICATION REQUIREMENTS

Construction Activity	Total Control of the	The Ute Tribe Energy & Minerals Dept. shall be notified in writing 48 hours in advance of any construction activity. The Ute Tribal office is open Monday through Thursday.
Construction Completion	Pro-	Upon completion of the pertinent APD/ROW construction, notify the Ute Tribe Energy & Minerals Dept. for a Tribal Technician to verify the Affidavit of Completion.
Spud Notice (Notify Petroleum Engineer)	-	Twenty-Four (24) hours prior to spudding the well.
Casing String & Cementing (Notify Supv. Petroleum Tech.)	-	Twenty-Four (24) hours prior to running casing and cementing all casing strings.
BOP & Related Equipment Tests (Notify Supv. Petroleum Tech.)	-	Twenty-Four (24) hours prior to initiating pressure tests.
First Production Notice (Notify Petroleum Engineer)		Within Five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days.

Page 2 of 7 Well: WV 7A-24-8-21 11/7/2008

SURFACE USE PROGRAM CONDITIONS OF APPROVAL (COAs)

General Conditions of Approval

- A <u>30'</u> foot corridor right-of-way shall be approved. Upon completion of each pipeline in corridor, they shall be identified and filed with the Ute Tribe.
- A qualified Archaeologist accompanied by a Tribal Technician will monitor trenching construction of pipeline.
- The Ute Tribe Energy & Minerals Department is to be notified, in writing 48 hours prior to construction of pipeline.
- Construction Notice shall be given to the department on the Ute Tribe workdays, which are Monday through Thursday. The Company understands that they may be responsible for costs incurred by the Ute Tribe after hours.
- The Company shall inform contractors to maintain construction of pipelines within the approved ROW's.
- The Company shall assure the Ute Tribe that "ALL CONTRACTORS, INCLUDING SUB-CONTRACTORS, LEASING CONTRACTORS, AND ETC." have acquired a current and valid Ute Tribal Business License and have "Access Permits" prior to construction, and will have these permits in all vehicles at all times.
- You are hereby notified that working under the "umbrella" of a company does not allow you to be in the field, and can be subject to those fines of the Ute Tribe Severance Tax Ordinance.
- Any deviation of submitted APD's and ROW applications the Companies will notify the Ute Tribe and BIA in writing and will receive written authorization of any such change with appropriate authorization.
- The Company will implement "Safety and Emergency Plan." The Company's safety director will ensure its compliance.
- All Company employees and/or authorized personnel (sub-contractors) in the field will have approved applicable APD's and/or ROW permits/authorizations on their person(s) during all phases of construction.
- All vehicular traffic, personnel movement, construction/restoration operations should be confined to the area examined and approved, and to the existing roadways and/or evaluated access routes.
- All personnel should refrain from collecting artifacts, any paleontological fossils, and from disturbing any significant cultural resources in the area.
- The personnel from the Ute Tribe Energy & Minerals Department should be notified should cultural remains from subsurface deposits be exposed or identified during construction. All construction will cease.
- All mitigative stipulations contained in the Bureau of Indian Affairs Site Specific Environmental Assessment (EA) will be strictly adhered.
- Upon completion of Application for Corridor Right-Way, the company will notify the Ute Tribe Energy & Minerals Department, so that a Tribal Technician can verify Affidavit of Completion.

Additional Conditions of Approval

- Culvert on road
- Gravel location
- Divert drainage at corner 4 southeast along well pad. Put culvert at location road.

Page 3 of 7 Well: WV 7A-24-8-21 11/7/2008

DOWNHOLE PROGRAM CONDITIONS OF APPROVAL (COAs)

SITE SPECIFIC DOWNHOLE COAs:

- The operator is required to use '10,000' psi annular preventer for the specified BOP 10M system.
- Intermediate casing 9 5/8" cement shall be brought up and into the surface.
- Intermediate casing 7" cement shall be brought up and into the intermediate casing 9 5/8" shoe. The minimum cement top is 300 ft above the intermediate casing 9 5/8" shoe.
 - o COA specification is consistent with operators performance standard stated in APD.
- Production casing cement shall be brought up and into the intermediate casing shoe 7". The minimum cement top is 300 ft above the intermediate casing shoe.
 - O COA specification is consistent with operators performance standard stated in APD.
- A Gamma Ray well Log shall be run from the well Total Depth to the surface.
 - o A copy of the Gamma Ray well Log shall be submitted to the BLM Vernal Field Office.
- QEP Drilling Site Specific COAs
 (where COA specification are consistent with operators operational specifications stated in APD)
 pgnMud Mud Oil based (drilling below 12,000 ft)
- Drip pans shall be installed below the rotary beams on the substructure of the drilling rig.
- For the portion of the hole drilled with oil based mud, drying shaker and cuttings tank shall be required downstream from the tandem shakers.
- For the portion of the hole drilled with oil based mud, mud vacuams shall be required on the rig floor to keep the rig clean.
- Plastic liner shall be installed beneath the steel mud circulating tanks and associated tandem shaker, drying shaker and temporary cuttings storage tank.
- Plastic liner shall be installed beneath the 500 bbl. storage tank for oil based mud cuttings.
- The oil based mud storage tanks shall be located on a plastic liner and bermed for spill prevention.

All provisions outlined in Onshore Oil & Gas Order #2 Drilling Operations shall be strictly adhered to. The following items are emphasized:

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

 The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.

Page 4 of 7 Well: WV 7A-24-8-21 11/7/2008

- Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.
- All requirements listed in Onshore Order #2 III. E. Special Drilling Operations are applicable for air drilling of surface hole.
- Blowout prevention equipment (BOPE) shall remain in use until the well is completed or abandoned. Closing unit controls shall remain unobstructed and readily accessible at all times.
 Choke manifolds shall be located outside of the rig substructure.
- All BOPE components shall be inspected daily and those inspections shall be recorded in the
 daily drilling report. Components shall be operated and tested as required by Onshore Oil &
 Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests shall be
 performed by a test pump with a chart recorder and <u>NOT</u> by the rig pumps. Test shall be
 reported in the driller's log.
- BOP drills shall be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.
- Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.
- No aggressive/fresh hard-banded drill pipe shall be used within casing.
- Cement baskets shall not be run on surface casing.
- The operator must report all shows of water or water-bearing sands to the BLM. If flowing water is encountered it must be sampled, analyzed, and a copy of the analyses submitted to the BLM Vernal Field Office.
- The operator must report encounters of all non oil & gas mineral resources (such as Gilsonite, tar sands, oil shale, trona, etc.) to the Vernal Field Office, in writing, within 5 working days of each encounter. Each report shall include the well name/number, well location, date and depth (from KB or GL) of encounter, vertical footage of the encounter and, the name of the person making the report (along with a telephone number) should the BLM need to obtain additional information.
- A complete set of angular deviation and directional surveys of a directional well will be submitted to the Vernal BLM office engineer within 30 days of the completion of the well.
- While actively drilling, chronologic drilling progress reports shall be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.
- A cement bond log (CBL) will be run from the production casing shoe to the top of cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.
- Please submit an electronic copy of all other logs run on this well in LAS format to UT_VN_Welllogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM.

Page 5 of 7 Well: WV 7A-24-8-21 11/7/2008

 There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. Any changes in operation must have prior approval from the BLM Vernal Field Office.

Page 6 of 7 Well: WV 7A-24-8-21 11/7/2008

OPERATING REQUIREMENT REMINDERS:

- All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well.
- In accordance with 43 CFR 3162.4-3, this well shall be reported on the "Monthly Report of Operations" (Oil and Gas Operations Report ((OGOR)) starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report shall be filed in duplicate, directly with the Minerals Management Service, P.O. Box 17110, Denver, Colorado 80217-0110, or call 1-800-525-7922 (303) 231-3650 for reporting information.
- Should the well be successfully completed for production, the BLM Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:
 - Operator name, address, and telephone number.
 - Well name and number.
 - Well location (¼¼, Sec., Twn, Rng, and P.M.).
 - Date well was placed in a producing status (date of first production for which royalty will be paid).
 - o The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).
 - The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
 - o Unit agreement and/or participating area name and number, if applicable.
 - Communitization agreement number, if applicable.
- Any venting or flaring of gas shall be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from the BLM Vernal Field Office.
- All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will
 be reported to the BLM, Vernal Field Office. Major events, as defined in NTL3A, shall be
 reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major
 Events" will be reported in writing within 15 days. "Minor Events" will be reported on the
 Monthly Report of Operations and Production.
- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) shall be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or

Page 7 of 7 Well: WV 7A-24-8-21 11/7/2008

data obtained and compiled during the drilling, workover, and/or completion operations, shall be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid, and/or gas) shall be submitted only when requested by the BLM, Vernal Field Office.

- All off-lease storage, off-lease measurement, or commingling on-lease or off-lease, shall have prior written approval from the BLM Vernal Field Office.
- Oil and gas meters shall be calibrated in place prior to any deliveries. The BLM Vernal Field
 Office Petroleum Engineers will be provided with a date and time for the initial meter calibration
 and all future meter proving schedules. A copy of the meter calibration reports shall be
 submitted to the BLM Vernal Field Office. All measurement facilities will conform to the API
 standards for liquid hydrocarbons and the AGA standards for natural gas measurement. All
 measurement points shall be identified as the point of sale or allocation for royalty purposes.
- A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted
 to the BLM Vernal Field Office within 30 days of installation or first production, whichever occurs
 first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be
 adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively
 sealed in accordance with Onshore Oil & Gas Order No. 3.
- Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, shall require the filing of a suitable plan and need prior approval of the BLM Vernal Field Office. Emergency approval may be obtained orally, but such approval does not waive the written report requirement.
- No location shall be constructed or moved, no well shall be plugged, and no drilling or workover
 equipment shall be removed from a well to be placed in a suspended status without prior
 approval of the BLM Vernal Field Office. If operations are to be suspended for more than 30
 days, prior approval of the BLM Vernal Field Office shall be obtained and notification given
 before resumption of operations.
- Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.
- Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.

	STATE OF UTAH				FORM 9
	DEPARTMENT OF NATURAL RESOUR DIVISION OF OIL, GAS, AND M		3	5.LEAS	SE DESIGNATION AND SERIAL NUMBER: 0810
SUNDRY NOTICES AND REPORTS ON WELLS					NDIAN, ALLOTTEE OR TRIBE NAME:
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.					F or CA AGREEMENT NAME: SITS VALLEY
1. TYPE OF WELL Gas Well					L NAME and NUMBER: A-24-8-21
2. NAME OF OPERATOR: QUESTAR EXPLORATION & PR	ODUCTION CO				NUMBER: 7403310000
3. ADDRESS OF OPERATOR: 11002 East 17500 South , Ve	rnal, UT, 84078 435 78:		PHONE NUMBER: Ext		LD and POOL or WILDCAT: SITS VALLEY
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1657 FNL 1342 FEL OTR/OTR, SECTION, TOWNSHI	IP, RANGE, MERIDIAN:			UINT	AH
, , , , ,	Township: 08.0S Range: 21.0E Meridian	n: S		STATE UTAH	
CHE	CK APPROPRIATE BOXES TO INDICA	ATE NA	ATURE OF NOTICE, REPOR	RT, OR OT	HER DATA
TYPE OF SUBMISSION			TYPE OF ACTION		
	☐ ACIDIZE		ALTER CASING		CASING REPAIR
NOTICE OF INTENT Approximate date work will start: 9/8/2010	CHANGE TO PREVIOUS PLANS		CHANGE TUBING		CHANGE WELL NAME
3/0/2010	CHANGE WELL STATUS		COMMINGLE PRODUCING FORMATION	NS _	CONVERT WELL TYPE
SUBSEQUENT REPORT Date of Work Completion:	DEEPEN	F	FRACTURE TREAT		NEW CONSTRUCTION
·	OPERATOR CHANGE	_	PLUG AND ABANDON	L	PLUG BACK
SPUD REPORT	PRODUCTION START OR RESUME	_	RECLAMATION OF WELL SITE	L	RECOMPLETE DIFFERENT FORMATION
Date of Spud:	REPERFORATE CURRENT FORMATION	_	SIDETRACK TO REPAIR WELL		TEMPORARY ABANDON
	☐ UBING REPAIR	_	VENT OR FLARE		WATER DISPOSAL
DRILLING REPORT Report Date:	│	_	SI TA STATUS EXTENSION	•	APD EXTENSION
	WILDCAT WELL DETERMINATION	□ (OTHER	ОТН	IER:
Questar Exploration	ompleted operations. Clearly show all point and Production Company how and production for the APD on the above	ereby	requests a one year		Approved by the Utah Division of II, Gas and Mining September 09, 2009
NAME (PLEASE PRINT) Jan Nelson	PHONE NUMBE 435 781-4331	R	TITLE Permit Agent		
SIGNATURE N/A			DATE 9/8/2009		



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047403310000

API: 43047403310000 **Well Name:** WV 7A-24-8-21

Location: 1657 FNL 1342 FEL QTR SWNE SEC 24 TWNP 080S RNG 210E MER S

Company Permit Issued to: QUESTAR EXPLORATION & PRODUCTION CO

Date Original Permit Issued: 9/8/2008

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

ine revision. Following is a checklist of some items related to the application, which should be verified.
 If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes No
 Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes No
 Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes No
 Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location? Yes No
• Has the approved source of water for drilling changed? 🔘 Yes 📵 No
 Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes No
• Is bonding still in place, which covers this proposed well? • Yes • No Utah Division of Oil, Gas and Mining

Signature: Jan Nelson **Date:** 9/8/2009

Title: Permit Agent Representing: QUESTAR EXPLORATION & PRODUCTIO Pate: September 09, 2009

Bv:

STATE OF UTAH					FORM 9
	5.LEAS UTU-0	E DESIGNATION AND SERIAL NUMBER: 810			
SUNDRY NOTICES AND REPORTS ON WELLS				6. IF IN	IDIAN, ALLOTTEE OR TRIBE NAME:
	sals to drill new wells, significantly deep ugged wells, or to drill horizontal laterals				or CA AGREEMENT NAME: ITS VALLEY
1. TYPE OF WELL Gas Well					L NAME and NUMBER: -24-8-21
2. NAME OF OPERATOR: QUESTAR EXPLORATION & PR	ODUCTION CO				NUMBER: 403310000
3. ADDRESS OF OPERATOR: 11002 East 17500 South , Ver	rnal, UT, 84078 435 78	Р 81-4362	HONE NUMBER: Ext		D and POOL or WILDCAT: ITS VALLEY
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1657 FNL 1342 FEL	TO DANCE MEDITIVAN			COUNT	
QTR/QTR, SECTION, TOWNSHI Qtr/Qtr: SWNE Section: 24	Township: 08.0S Range: 21.0E Meridia	n: S		STATE: UTAH	
11. CHE	CK APPROPRIATE BOXES TO INDIC	CATE NA	ATURE OF NOTICE, REPORT,	OR OTI	HER DATA
TYPE OF SUBMISSION			TYPE OF ACTION		
	ACIDIZE		ALTER CASING		CASING REPAIR
NOTICE OF INTENT Approximate date work will start:	☐ CHANGE TO PREVIOUS PLANS	□ c	CHANGE TUBING		CHANGE WELL NAME
9/8/2010	☐ CHANGE WELL STATUS		COMMINGLE PRODUCING FORMATIONS		CONVERT WELL TYPE
SUBSEQUENT REPORT	☐ DEEPEN	☐ F	RACTURE TREAT		NEW CONSTRUCTION
Date of Work Completion:	OPERATOR CHANGE	_ p	PLUG AND ABANDON		PLUG BACK
	☐ PRODUCTION START OR RESUME		RECLAMATION OF WELL SITE		RECOMPLETE DIFFERENT FORMATION
SPUD REPORT Date of Spud:	☐ REPERFORATE CURRENT FORMATION	□ s	SIDETRACK TO REPAIR WELL		TEMPORARY ABANDON
	☐ TUBING REPAIR	□ v	/ENT OR FLARE		WATER DISPOSAL
☐ DRILLING REPORT	☐ WATER SHUTOFF	□ s	SI TA STATUS EXTENSION	1	APD EXTENSION
Report Date:	☐ WILDCAT WELL DETERMINATION		OTHER	отн	ER:
	 DMPLETED OPERATIONS. Clearly show all			olumes,	etc.
	and Production Company h				
extension	on for the APD on the above	capti	oned well.		
NAME (PLEASE PRINT) Jan Nelson	PHONE NUMB 435 781-4331	ER	TITLE Permit Agent		
SIGNATURE N/A			DATE 9/8/2009		



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047403310000

API: 43047403310000 **Well Name:** WV 7A-24-8-21

Location: 1657 FNL 1342 FEL QTR SWNE SEC 24 TWNP 080S RNG 210E MER S

Company Permit Issued to: QUESTAR EXPLORATION & PRODUCTION CO

Date Original Permit Issued: 9/8/2008

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Signature: Jan Nelson **Date:** 9/8/2009

Title: Permit Agent Representing: QUESTAR EXPLORATION & PRODUCTION CO

Division of Oil, Gas and Mining

OPERATOR CHANGE WORKSHEET

(for state use only)

R	DUTING
	CDW

Change of Operator (Well Sold)		X - (X - Operator Name Change					
The operator of the well(s) listed below has changed, effective:			6/14/2010					
			TO: (New Operator): N3700-QEP Energy Company 1050 17th St, Suite 500 Denver, CO 80265					
Phone: 1 (303) 308-3048				Phone: 1 (303)	308-3048			
CA No.				Unit:		WONSITS	VALLEY	
WELL NAME	SEC	TWN	RNG	API NO	l .	LEASE TYPE	l .	WELL
SEE ATTACHED					NO		ТҮРЕ	STATUS
OPERATOR CHANGES DOCUMENT Enter date after each listed item is completed	ATIO	ON						
1. (R649-8-10) Sundry or legal documentation wa				-		6/28/2010		
2. (R649-8-10) Sundry or legal documentation wa				•		6/28/2010		
4a. Is the new operator registered in the State of U	4a. Is the new operator registered in the State of Utah: 5a. (R649-9-2)Waste Management Plan has been received on:			Requested	-	5 Database on: 764611-0143		6/24/2010
5c. Reports current for Production/Disposition & S				ok	_			
6. Federal and Indian Lease Wells: The BL			BIA Ł		- e merger, na	me change.		
					not yet			
7. Federal and Indian Units:						_		
The BLM or BIA has approved the successor of unit operator for			ator fo	r wells listed on	:	8/16/2010	_	
8. Federal and Indian Communization Agreements ("CA"):								
The BLM or BIA has approved the operator						N/A		
9. Underground Injection Control ("UIC"	•		-	*			_	
Inject, for the enhanced/secondary recovery un	nit/pro	ject for	the wa	ater disposal we	ll(s) listed o	on:	6/29/201	<u>o</u>
DATA ENTRY:								
1. Changes entered in the Oil and Gas Database		an Cha	C	6/30/2010	-	6/20/2010		
2. Changes have been entered on the Monthly Op3. Bond information entered in RBDMS on:	perau	ог Спа	nge Sp	6/30/2010		6/30/2010	-	
 Fee/State wells attached to bond in RBDMS or 	1:			6/30/2010	-			
5. Injection Projects to new operator in RBDMS				6/30/2010	_			
6. Receipt of Acceptance of Drilling Procedures f	for AP	D/New	on:		n/a			
BOND VERIFICATION:								
1. Federal well(s) covered by Bond Number:ESB000024								
2. Indian well(s) covered by Bond Number:		• / \ • •	_	965010693				
3a. (R649-3-1) The NEW operator of any state/fe		• •		•		965010695	_	
3b. The FORMER operator has requested a release		-	from t	heir bond on:	<u>n/a</u>	_		
LEASE INTEREST OWNER NOTIFIC								
4. (R649-2-10) The NEW operator of the fee wells						om the Division		
of their responsibility to notify all interest owne COMMENTS :	is of t	шіѕ спа	nge on	<u>. </u>	<u>n/a</u>			

STATE OF UTAH

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF OIL, GAS AND MIN	ING	5. LEASE DESIGNATION AND SERIAL NUMBER: See attached
SUNDRY NOTICES AND REPORTS	ON WELLS	6. IF INDIAN, ALLOTTEE OR TRIBE NAME: See attached
Do not use this form for proposals to drill new wells, significantly deepen existing wells below curren drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form	t bottom-hole depth, reenter plugged wells, or to n for such proposals.	7. UNIT OF CA AGREEMENT NAME: See attached
OIL WELL _ GAS WELL _ OTHER		8. WELL NAME and NUMBER: See attached
2 NAME OF OPERATOR: Questar Exploration and Production Company 3 ADDRESS OF OPERATOR:	35	9. API NUMBER: Attached
1050 17th Street, Suite 500 Denver	D265 PHONE NUMBER: (303) 672-6900	10. FIELD AND POOL, OR WILDCAT: See attached
4 LOCATION OF WELL FOOTAGES AT SURFACE: See attached QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:		COUNTY: Attached STATE:
OUEOVADDE		UTAH
11 CHECK APPROPRIATE BOXES TO INDICATE TYPE OF SUBMISSION	NATURE OF NOTICE, REPOR	RT, OR OTHER DATA
ACIDIZE ACIDIZE	Company changed its name to one third party change of operate properties described on the analysis.	QEP Energy Company. This name or is involved. The same ttached list. All operations will
Utah State Bond Number: 965003033 \ Pee Land Bond Number: 965003033 \ Pee Land Bond Number: 965003033 \ Pee Land Bond Number: 799446 \ 965010693 \ The attached document is an all inclusive list of the wells open June 14, 2010 QEP Energy Company assumes all rights, duti the list	ated by Questar Evoloration an	d Production Commons. As af
NAME (PLEASE PRINT) Morgan Anderson	TITLE Regulatory Affairs	Analyst
SIGNATURE MOGALI ANDON	DATE 6/23/2010	
nis space for State use only)		

RECEIVED

JUN 2 8 2010

APPROVED 61301 2009

Carley Russell

Division of Oil, Gas and Mining

Earlene Russell, Engineering Technician

well_name	sec	twp	rng	api	entity	mineral	type	stat	C
WV 43	11	080S	210E	4304715471	5265	lease	OW	 	ļ
WV 48	10	080S		4304715476	****	Federal	OW	P	_
WV 53	10	080S		4304713476	5265	Federal	OW	P	
WV 55	14	080S		4304720005	5265	Federal	OW	P	-
WV 62	10			4304720003	5265	Federal	OW	P	
WV 65	15			4304720024	5265	Federal	OW	P	
WV 83 WG	23			4304720041	5265	Federal	OW	P	<u> </u>
WV 103	$\frac{23}{14}$	080S			17123	Federal	GW	P	
WV 104	15		210E	4304730021	5265	Federal	OW	P	
WV 105				4304730022	5265	Federal	OW	P	
WV 109	10	0808		4304730023	5265	Federal	OW	P	
WV 110	15			4304730045	5265	Federal	OW	P	
WV 112	14			4304730046	5265	Federal	OW	P	
WV 112 WV 124	15	080S		4304730048	5265	Federal	OW	P	
WV 124 WV 128	15	080S		4304730745	5265	Federal	OW	P	
	10	080S		4304730798	5265	Federal	OW	P	
WV 132	15			4304730822	5265	Federal	OW	P	
WV 136	21			4304731047	5265	Federal	OW	S	
WV 137	11			4304731523	5265	Federal	OW	P	
WV 133	15			4304731706	5265	Federal	OW	P	
WV 144	10			4304731807	5265	Federal	OW	P	
WV 145	18	080S	220E	4304731820	17123	Federal	GW	P	
WV 121	14	080S	210E	4304731873	5265		OW	TA	-
WV 135-2	21	080S	210E	4304732016	5265		OW	P	1
WV 130	22	080S	210E	4304732307	5265	Federal	OW	P	
	21	080S	210E	4304732461	5265			P	
	07	080S	220E	4304732821	17123	Federal		P	
WV 69 WG	18	080S	220E	4304732829	17123		***********	P	
				4304732831	17123			P	
				4304732832	17123			P	
				4304733054	17123			P	
WV 14 WG				4304733070	17123			P	
WV 11 WG				4304733085	17123			P	
WV 81 WG	-			4304733086	17123			S	
				4304733128	17123	Federal		P	
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					17123			P	
				1304733503	5265			P	
** * ** ** 7-0-41	UY (1902	210E 4	304733529	17123	Federal	GW [P	i

well_name	sec	twp	rng	api	entity	mineral	type	stat	C
WV 1W-12-8-21						lease			
	12	080S		4304733531	17123	Federal	GW	S	
WV 1W-13-8-21	13			4304733532	17123	Federal	GW	S	
WV 3W-18-8-22	18			4304733533	17123	Federal	GW	P	
WV 9W-12-8-21	12			4304733534	17123	Federal	GW	P	
WV 11W-12-8-21	12			4304733535	17123	Federal	GW	P	
WV 11W-13-8-21	13			4304733536	17123	Federal	GW	P	
WV 13W-12-8-21	12	080S		4304733537	17123	Federal	GW	S	
WV 13W-18-8-22	18			4304733538	17123	Federal	GW	P	
WV 16G-9-8-21	09			4304733565	5265	Federal	OW	P	
WV 1W-21-8-21	21	080S	210E	4304733602	17123	Federal	GW	P	
WV 3W-13-8-21	13	080S	210E	4304733603	17123	Federal	GW	S	
WV 3W-22-8-21	22	080S	210E	4304733604	17123	Federal	GW	P	
WV 3W-24-8-21	24			4304733605	17123	Federal	GW	P	
WV 13W-14-8-21	14			4304733607	17123	Federal	GW	P	+
WV 1W-24-8-21	24			4304733613	17123	Federal	GW.	P	
WV 11W-18-8-22	18			4304733626	17123	Federal	GW	P	-
WV 2W-10-8-21	10			4304733655	17123	Federal	GW	P	
WV 4W-11-8-21	11			4304733657	17123	Federal	GW	P	
WV 12W-10-8-21				4304733659	17123	Federal	GW	S	
WV 12G-10-8-21				4304733660	5265	Federal	OW	P	-
WV 15W-9-8-21				4304733661	17123	Federal		P	
WV 15G-9-8-21				4304733662	5265		·		
WV 2W-13-8-21				4304733791		Federal	OW	P	
WV 6W-13-8-21				4304733791	17123	Federal	GW	P	
WV 8W-13-8-21				4304733792 4304733793	17123	Federal	GW	P	<u> </u>
WV 10W-1-8-21				4304 <i>733793</i> 4304733794	17123	Federal	GW	P	-
WV 10W-13-8-21				4304733794 4304733795	17123	Federal	GW	TA	
WV 12W-7-8-22				4304733793	17123	Federal	GW	P	
WV 6W-8-8-22					17123	Federal		P	
WV 7W-8-8-22				4304733811	17123		GW	P	
WV 10W-7-8-22				4304733812	17123	Federal		P	
WV 12W-8-8-22	08	0805	220E	4304733813	17123	Federal		P	
WV 14W-7-8-22				4304733815	17123	Federal		P	
WV 16W-7-8-22				4304733816	17123	Federal		P	
WV 6W-7-8-22				4304733817	17123	Federal		P	
WV 6W-78-22 WV 6W-18-8-22				4304733828	17123	**********************		P	
WV 6WC-18-8-22				4304733842	17123			P	
				4304733843	17123		GW	P	
WV 6WD-18-8-22 WV 5W-23-8-21				4304733844	17123	Federal	GW	P	
				4304733860	17123	Federal	GW	P	
WV 7W-23-8-21				4304733861	17123	Federal	GW	P	
WV 8W-12-8-21				1304733862	17123	Federal	GW	P	
WV 10W-12-8-21				4304733863	17123	Federal	GW	P	
WV 14W-12-8-21				1304733864	17123	Federal	GW	P	
WV 16W-12-8-21				1304733865	17123	Federal	GW	P	
WV 1W-15-8-21				1304733902	17123	Federal	GW	S	
WV 1W-22-8-21				1304733903	17123	Federal	GW	S	
WV 1W-23-8-21				1304733904	17123			P	
WV 6W-11-8-21				304733906	17123			P	
WV 7W-24-8-21	24 (080S 2	210E 4	304733908	17123			P	

well_name	sec	twp	rng	api	entity	mineral	type	stat	С
					Official	lease	type	Stat	
WV 10W-11-8-21	11	080S	210E	4304733910	17123	Federal	GW	P	-
WV 11W-15-8-21	15			4304733911	17123	Federal		P	
WV 13W-11-8-21	11			4304733913	17123	Federal		S	
WV 13W-15-8-21	15			4304733914	17123	Federal		P	
WV 15W-10-8-21	10			4304733916	17123	Federal	GW	P	
WV 15W-15-8-21	15			4304733917	17123	Federal	GW	P	
WV 5W-14-8-21	14			4304733953	17123	Federal	GW	P	
WV 7W-14-8-21	14			4304733955	17123	Federal		P	+
WV 8W-11-8-21	11	080S		4304733957	17123	Federal	GW	S	
WV 8W-14-8-21	14	080S		4304733958	17123	Federal	GW	P	-
WV 9W-15-8-21	15			4304733959	17123	Federal	GW	P	
WV 12W-13-8-21	13			4304733961	17123	Federal	GW	P	-
WV 14W-13-8-21	13			4304733962	17123	Federal	GW	P	-
WV 15W-14-8-21	14			4304733963	17123	Federal	GW	P	-
WV 2W-18-8-22	18			4304733986	17123				
WV 8W-18-8-22	18			4304733989		Federal	GW	P	
WV 10W-18-8-22	18			4304733989	17123	Federal	GW	P	
WV 12W-18-8-22	18			4304733991	17123	Federal	GW	P	-
WV 14W-18-8-22	18			4304733995	17123	Federal	GW	S	
WV 8W-1-8-21	01			4304733993	17123	Federal	GW	P	
WV 4W-17-8-22	17			4304734009	17123	Federal	GW	OPS	C
WV 12G-1-8-21	01			4304734038	17123	Federal	GW	P	
WV 2W-14-8-21	14				5265	Federal	OW	TA	
GH 2W-21-8-21	21			4304734140	17123	Federal	GW	P	-
WV 2W-23-8-21	23			4304734141	17123	Federal	GW	P	
WV 3W-21-8-21				4304734142	17123	Federal	GW	P	
WV 4W-13-8-21	21			4304734143	17123	Federal	GW	P	
WV 4W-13-8-21 WV 4W-21-8-21				4304734144	17123		GW	P	
WV 4W-22-8-21	21			4304734145	17123	Federal	GW	P	ļ
WV 16W-11-8-21				4304734146	17123	Federal		P	
WV 3W-19-8-22				4304734155	5265	Federal	+	P	
WV 4W-23-8-21				4304734187	17123	Federal		P	
WV 6W-23-8-21				4304734188	17123	Federal	GW	P	ļ
WV 2W-15-8-21				4304734189	17123		GW	S	
WV 2W-13-8-21 WV 2W-22-8-21				4304734242	17123	Federal		P	
WV 4W-14-8-21				4304734243	17123			P	
WV 4W-14-8-21 WV 6W-12-8-21				4304734244	17123		GW	S	
WV 7W-15-8-21				4304734245	5265	Federal	GW	TA	ļ
WV 8W-15-8-21				4304734246	17123	Federal		P	ļ
WV 12W-12-8-21				4304734247	17123			P	ļ
WV 12W-12-8-21 WV 14W-15-8-21				4304734248	17123			TA	
				1304734249	17123			P	
WV 16W-10-8-21 WV 16W-15-8-21				1304734250	17123			P	
				1304734251	17123			P	
WV 3W-12-8-21				1304734267	17123			OPS	С
WV 4D-12-8-21				1304734268	17123			OPS	C
WV 6W-14-8-21				1304734271	17123			<u>S</u>	
WV 9W-11-8-21				1304734274	17123			OPS	C
WV 10W-14-8-21				1304734275	17123		GW	P	
WV 11W-14-8-21	14	080S	210E	1304734277	17123	Federal	GW	P	

well_name	sec	twp	rng	api	entity	mineral	type	stat	С
		-				lease	-Jpc	June	
WV 12W-14-8-21	14	080S	210E	4304734279	17123	Federal	GW	TA	
WV 14M-11-8-21	11	080S		4304734280	17123	Federal	GW	P	
WV 14W-14-8-21	14	080S		4304734281	17123	Federal	GW	S	
WV 16G-14-8-21	14	080S	210E	4304734283	5265	Federal	OW	P	
WV 3MU-15-8-21	15	080S		4304734289	17123	Federal	GW	P	
WV 4MU-15-8-21	15	080S		4304734291	17123	Federal	GW	P	
WV 5MU-15-8-21	15	080S		4304734293	17123	Federal	GW	P	-
WV 6W-15-8-21	15	080S		4304734294	17123	Federal	GW	P	
WV 10W-15-8-21	15			4304734295	17123	Federal	GW	P	-
WV 4W-24-8-21	24			4304734330	17123	Federal	GW	P	+
WV 8M-23-8-21	23			4304734339	17123	Federal	GW	P	
WV 8W-24-8-21	24			4304734340	17123	Federal	GW	P	
WV 2W-8-8-22	08			4304734468	17123	Federal	GW	P	-
WV 8W-7-8-22	07			4304734469	17123	Federal	GW	S	-
WV 8W-22-8-21	22			4304734564	17123	Federal	GW	P	
WV 14MU-10-8-21	10			4304735879	17123	Federal	GW	P	-
WV 13MU-10-8-21	10			4304736305	17123	Federal	GW	P	-
WV 3D-13-8-21	13			4304737923	17123	Federal	GW	OPS	C
WV 14DML-12-8-21	12			4304737924	17123	Federal	GW	P	_
WV 15AML-12-8-21	12			4304737925	17123	Federal	GW	OPS	C
WV 13DML-10-8-21	10			4304737926	17123	Federal	GW	P	
WV 4DML-15-8-21	15			4304737927	17123	Federal	GW	P	-
WV 11AD-14-8-21	14			4304738049	17123	Federal	GW	P	
WV 6-24-8-21	24			4304738663	17123	Federal	GW	P	-
WV 2ML-24-8-21	24			4304738664	17123	Federal	GW	APD	C
WV 16C-14-8-21	14			4304738737	17123	Federal	GW	P	_
WV 7BML-24-8-21	24			4304738970	17123	Federal	GW	APD	$\frac{1}{C}$
WV 7AML-12-8-21	12			4304739035		Federal	GW	APD	C
WV 14BML-12-8-21	12			4304739036		Federal	GW	APD	C
WV 14B-13-8-21	13			4304739037		Federal	GW	APD	C
WV 4B-14-8-21	14			4304739038		Federal	GW	APD	C
WV 13A-15-8-21	15			4304739039	17123	Federal	GW	P	
WV 8D-15-8-21				4304739040	17123		GW	P	1
WV 4BD-23-8-21				4304739041	17123	Federal		P	+
WV 7CML-11-8-21				4304739042	1/123	Federal			<u> </u>
WV 7BD-23-8-21				4304739042	17123	Federal		APD P	С
WV 2CML-7-8-22	+			4304739044	1/1/23	Federal		APD	C
WV 13AD-8-8-22R(RIGSKID)				4304739133	17123		GW	P	
WV 2B-22-8-21				4304740262	1/143		GW	APD	C
WV 8D-22-8-21				4304740263			GW	APD	C
WV 7A-24-8-21	-			4304740203			GW	APD	C



United States Department of the Interior



BUREAU OF LAND MANAGEMENT Utah State Office P.O. Box 45155 Salt Lake City, UT 84145-0155 http://www.blm.gov/ut/st/en.html

IN REPLY REFER TO: 3100 (UT-922)

JUL 2 8 2010

Roja L Bankert

Memorandum

To:

Vernal Field Office, Price Field Office, Moab Field Office

From:

Chief, Branch of Minerals

Subject:

Name Change Recognized

Attached is a copy of the Certificate of Name Change issued by the Texas Secretary of State and a decision letter recognizing the name change from the Eastern States Office. We have updated our records to reflect the name change in the attached list of leases.

The name change from Questar Exploration and Production Company into QEP Energy Company is effective June 8, 2010.

cc:

MMS UDOGM

AUG 16 20:0

DIV. OF OIL, GAS william 10

	STATE OF UTAH DEPARTMENT OF NATURAL RESOURCE		FORM 9
	5.LEASE DESIGNATION AND SERIAL NUMBER: UTU-0810		
SUND	6. IF INDIAN, ALLOTTEE OR TRIBE NAME: UTE		
Do not use this form for propo bottom-hole depth, reenter plu DRILL form for such proposals	sals to drill new wells, significantly deepen ugged wells, or to drill horizontal laterals. Us	existing wells below current se APPLICATION FOR PERMIT TO	7.UNIT or CA AGREEMENT NAME: WONSITS VALLEY
1. TYPE OF WELL Gas Well			8. WELL NAME and NUMBER: WV 7A-24-8-21
2. NAME OF OPERATOR: QEP ENERGY COMPANY			9. API NUMBER: 43047403310000
3. ADDRESS OF OPERATOR: 11002 East 17500 South , Vei		NE NUMBER: 068 Ext	9. FIELD and POOL or WILDCAT: WONSITS VALLEY
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1657 FNL 1342 FEL			COUNTY: UINTAH
QTR/QTR, SECTION, TOWNSHI Qtr/Qtr: SWNE Section: 24	r, RANGE, MERIDIAN: Township: 08.0S Range: 21.0E Meridian: S	5	STATE: UTAH
11. CHE	CK APPROPRIATE BOXES TO INDICAT	E NATURE OF NOTICE, REPORT,	OR OTHER DATA
TYPE OF SUBMISSION		TYPE OF ACTION	
	☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
NOTICE OF INTENT Approximate date work will start: 9/8/2011	CHANGE TO PREVIOUS PLANS	CHANGE TUBING	CHANGE WELL NAME
SUBSEQUENT REPORT	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS ☐ FRACTURE TREAT	☐ CONVERT WELL TYPE ☐ NEW CONSTRUCTION
Date of Work Completion:	OPERATOR CHANGE	PLUG AND ABANDON	☐ PLUG BACK
	PRODUCTION START OR RESUME	RECLAMATION OF WELL SITE	RECOMPLETE DIFFERENT FORMATION
SPUD REPORT Date of Spud:	☐ REPERFORATE CURRENT FORMATION	SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
DRILLING REPORT Report Date:	☐ WATER SHUTOFF	SI TA STATUS EXTENSION	✓ APD EXTENSION
Report Date.	☐ WILDCAT WELL DETERMINATION	OTHER	OTHER:
QEP ENERGY COMPAI	OMPLETED OPERATIONS. Clearly show all pert NY HEREBY REQUESTS A ONE IPD ON THE ABOVE CAPTIONE	YEAR EXTENSION FOR TH D WELL.	•
NAME (PLEASE PRINT) Jan Nelson	PHONE NUMBER 435 781-4331	TITLE Permit Agent	
SIGNATURE N/A		DATE 9/7/2010	



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047403310000

API: 43047403310000 **Well Name:** WV 7A-24-8-21

Location: 1657 FNL 1342 FEL QTR SWNE SEC 24 TWNP 080S RNG 210E MER S

Company Permit Issued to: QEP ENERGY COMPANY

Date Original Permit Issued: 9/8/2008

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

in a revision renewing is a encertise of some items related to the application, which should be verifical
 If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes No
• Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes No
 Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes No
 Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location? Yes No
• Has the approved source of water for drilling changed? Yes No
 Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes No
• Is bonding still in place, which covers this proposed well? • Yes Oil, Gas and Mining

Signature: Jan Nelson **Date:** 9/7/2010

Title: Permit Agent Representing: QEP ENERGY COMPANY

Date: September 09, 2010

By:

UNITED STATES UNITED STATES DEPARTMENT OF THE INTERIOR RECEIVE **BUREAU OF LAND MANAGEMENT**

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

SUNDRY Do not use th abandoned we	NOTICES AND REPO is form for proposals to II. Use form 3160-3 (AP	RTS ON WELLS AUG 3 drill or to re-enter an D) for such proposals.	1 2010	UTU0810 6. If Indian, Allottee	or Tribe Name
	PLICATE - Other instruc			7. If Unit or CA/Agre UTU63043E	eement, Name and/or No
Type of Well ☐ Oil Well ☐ Gas Well ☐ Oti	her			8. Well Name and No WV 7A-24-8-21	
Name of Operator QEP ENERGY COMPANY		JAN NELSON ON@QEPRES.COM		9. API Well No. 43-047-40331-	00-X1
3a. Address 11002 EAST 17500 SOUTH VERNAL, UT 84078		3b. Phone No. (include area code Ph: 435-781-4331 Fx: 435-781-4395	e)	10. Field and Pool, of WONSITS VAL	
4. Location of Well (Footage, Sec., 7	., R., M., or Survey Description	i)		 County or Parish, 	and State
Sec 24 T8S R21E SWNE 165	7FNL 1342FEL			UINTAH COUN	ITY. UT
					·
12. CHECK APPI	ROPRIATE BOX(ES) TO	INDICATE NATURE OF	NOTICE, RI	EPORT, OR OTHE	R DATA
TYPE OF SUBMISSION		TYPE O	F ACTION		
Notice of Intent	□ Acidize	Deepen	_	ion (Start/Resume)	□ Water Shut-Off
Subsequent Report	Alter Casing	☐ Fracture Treat	□ Reclam		☐ Well Integrity
_	☐ Casing Repair	□ New Construction	□ Recomp		Other Change to Original
☐ Final Abandonment Notice	☐ Change Plans	Plug and Abandon	_	arily Abandon	PD
	Convert to Injection	☐ Plug Back	□ Water D	Disposal	
13. Describe Proposed or Completed Op If the proposal is to deepen direction Attach the Bond under which the wo following completion of the involved testing has been completed. Final Al determined that the site is ready for f	ally or recomplete horizontally, it will be performed or provided d operations. If the operation re bandonment Notices shall be fil final inspection.)	give subsurface locations and mea the Bond No. on file with BLM/B sults in a multiple completion or re led only after all requirements, inclu	sured and true value of the Required succession in a completion in a coding reclamati	vertical depths of all per ubsequent reports shall a new interval, a Form 3 on, have been complete	tinent markers and zones be filed within 30 days 160-4 shall be filed once d, and the operator has
BLM APPROVAL DATE: NOV	⁷ . 12, 2008				
				Company of the company	IN OFFICE

RECEIVED FEB 0 1 2011

DIV. OF OIL, GAS & MINING

O STREET	VERNAL FIELD OFFICE	
A PARTICIPATION OF	ENG. QD DEC 0	1
and the same of the same	GEOL	O COLORADO DE CONTRACTOR D
	E.S.	estero contra co
	PET, manuscriptus respective and the second	Con today senter

14. I hereby certify that the foregoing is true and correct ng is true and correct.

Electronic Submission #92103 verified by the BLM Well Information System

For QEP ENERGY COMPANY, sent to the Vernal

Committed to AFMSS for processing by GAIL JENKINS on 09/01/2010 (10GXJ4693SE) Name (Printed/Typed) VALYN DAVIS Title REGULATORY ASSISTANT (Electronic Submission) Signature 08/31/2010

INIS SPACE FOR F	EDERAL OR S	SIAIEOFF	ICE USE
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Approved By

Acting Assistant Field Manager Lands & Mineral Resources

DEG 2 1 2010

ر 10 د ـ

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

VERNAL FIELD OFFICE

Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United for the Helent statements or representations as to any matter within its jurisdiction.

Title

CONDITIONS OF APPROVAL

QEP Energy Company

Notice of Intent APD Extension

Lease:

UTU-0810

Well:

WV 7A-24-8-21

Location:

SWNE Sec 24-T8S-R21E

An extension for the referenced APD is granted with the following conditions:

- 1. The extension and APD shall expire on 11/12/12.
- 2. No other extension shall be granted.

If you have any other questions concerning this matter, please contact Carey Doyle of this office at (435) 781-4430.

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

RECEIVE

OMB NO. 1004-0135 Expires: July 31, 2010

SUNDRY	NOTICES AND REPOR	RTS ON WE	LLS AUG 3	1 2010	UTU0810	
Do not use thi abandoned wel	s form for proposals to II. Use form 3160-3 (APL	drill or to re D) for such p	enter an orongeneral enter	55A AST	6. If Indian, Allottee	or Tribe Name
SUBMIT IN TRI	PLICATE - Other instruc	tions on rev	erse side.	M	7. If Unit or CA/Agre UTU63043E	ement, Name and/or No.
Type of Well ☐ Oil Well	ier				8. Well Name and No. WV 7A-24-8-21	
2. Name of Operator QEP ENERGY COMPANY		JAN NELSO ON@QEPRES			9. API Well No. 43-047-40331-0)0-X1
3a. Address 11002 EAST 17500 SOUTH VERNAL, UT 84078		3b. Phone No Ph: 435-78 Fx: 435-78			10. Field and Pool, or WONSITS VAL	
4. Location of Well (Footage, Sec., 7	., R., M., or Survey Description)			11. County or Parish,	and State
Sec 24 T8S R21E SWNE 165	7FNL 1342FEL				UINTAH COUN	ITY, UT
12. CHECK APPI	ROPRIATE BOX(ES) TO	INDICATE	NATURE OF N	NOTICE, RI	EPORT, OR OTHE	R DATA
TYPE OF SUBMISSION			TYPE OF	ACTION		*
Notice of Intent	☐ Acidize	□ Dee		_	ion (Start/Resume)	□ Water Shut-Off
_	Alter Casing		ture Treat	□ Reclam		□ Well Integrity
☐ Subsequent Report	☐ Casing Repair	_	Construction	Recom		Other Change to Original
Final Abandonment Notice	☐ Change Plans		g and Abandon	Total Control	arily Abandon	PD
	Convert to Injection	□ Plug		□ Water I		
13. Describe Proposed or Completed Op If the proposal is to deepen direction Attach the Bond under which the wo following completion of the involve testing has been completed. Final A determined that the site is ready for	nally or recomplete horizontally, ork will be performed or provided operations. If the operation rebandonment Notices shall be fiftinal inspection.)	, give subsurface the Bond No. esults in a multi led only after al	e locations and meason file with BLM/BI ple completion or re I requirements, inclu	sured and true A. Required s completion in iding reclamat	vertical depths of all per subsequent reports shall a new interval, a Form 3 ion, have been complete	rtinent markers and zones be filed within 30 days 160-4 shall be filed once d, and the operator has
BLM APPROVAL DATE: NO\	/. 12. 2008		•			
					VERNAL FIE	LD OFFICE
		ALIEB	RECEI	VED	ENG. CUI) OEC 0 1 -11
TON	S OF APPROVAL ATT	ACHED	FEB 17	2011	GEOL	
artini andre de la compania de la c La compania de la co		emisers of the second of the s	DIV. OF OIL, GAS	& MINING	E.S PET	
14. I hereby certify that the foregoing	is true and correct.		I .		RECL	
	# Electronic Submission # For OEP El	192103 verifie NERGY COMF	by the BLM Wel	l Informatio: Vernal	ı System	Marchine Conference Conference Conference (Conference Conference C
Co	ommitted to AFMSS for pro	cessing by G.	AIL JENKINS on (09/01/2010 (1	0GXJ4693SE)	

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Date

Title

Approved By

(Electronic Submission)

Acting Assistant Field Manager Lands & Mineral Resources

REGULATORY ASSISTANT

08/31/2010

DEG 2 1 2010

Conditions of approval, if any are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

VERNAL FIELD OFFICE

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Signature

Name (Printed/Typed) VALYN DAVIS

CONDITIONS OF APPROVAL

QEP Energy Company

Notice of Intent APD Extension

Lease:

UTU-0810

Well:

WV 7A-24-8-21

Location:

SWNE Sec 24-T8S-R21E

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2. No other extension shall be granted.

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Form > 160-5 (August 2067)

UNITED STATES

DECEN/Eh

FORM APPROVED

D F	EPARTMENT OF THE I BUREAU OF LAND MANA	INTERIOR AGEMENT	Expile	NO. 1004-0135 es: July 31, 2010	
SUNDRY	NOTICES AND REPO	ORTS ON WELLS AUG 3	1 2010 5. Lease Serial No. UTU0810		
To Adt use this form for proposals to drill or to re-enter an 3 1 2010 [] To Adt use this form for proposals to drill or to re-enter an 3 160-3 (APD) for such proposals.			6. If Indian, Allotte	6. If Indian, Allottee or Tribe Name	
	IPLICATE - Other instru	ctions on reverse side:	7. If Unit or CA/Ag UTU63043E	greement, Name and/or No.	
1. Type of Well ☐ Oil Well ☐ Gas Well ☐ O	ther		8. Well Name and N WV 7A-24-8-21	No.	
2. Name of Operator QEP ENERGY COMPANY	Contact;	JAN NELSON SON@QEPRES.COM	9. API Well No. 43-047-40331	-00-X1	
3a. Address 11002 EAST 17500 SOUTH VERNAL, UT 84078		3b. Phone No. (include area code Ph: 435-781-4331 Fx: 435-781-4395	e) 10. Field and Pool, WONSITS VA	or Exploratory LLEY	
4. Location of Well (Footage, Sec.,	T., R., M., or Survey Descriptio	n)	11. County or Paris	h, and State	
Sec 24 T8S R21E SWNE 1657FNL 1342FEL			UINTAH COU	UINTAH COUNTY, UT	
12. CHECK APP	ROPRIATE BOX(ES) TO	D INDICATE NATURE OF	NOTICE, REPORT, OR OTH	ER DATA	
TYPE OF SUBMISSION		ТҮРЕ О	F ACTION		
Notice of Intent	☐ Acidize ☐ Alter Casing	☐ Deepen ☐ Fracture Treat	Production (Start/Resume) Reclamation	Water Shut-Off	
☐ Subsequent Report	Casing Repair	☐ New Construction	Recomplete	☐ Well Integrity ☐ Other	
Final Abandonment Notice	Change Plans	Plug and Abandon	Temporarily Abandon	Other Change to Original PD	
13. Describe Proposed or Completed Or	Convert to Injection	_ · · · · · · · ·			
testing has been completed. Final A determined that the site is ready for	d operations. If the operation rebandonment Notices shall be fi final inspection.)	esults in a multiple completion or re led only after all requirements, inclu	Completion in a new interval, a Form iding reclamation, have been completed. THE APD ON THE ABOVE CA	3160-4 shall be filed once ted, and the operator has	
BLM APPROVAL DATE: NOV	/. 12, 2008			Market	
			VERNAL FI	ELD OFFICE	
		o con a second	ENGCU) OEC 0 1 .110	
The state of the s	S OF APPROVAL ATT	ACHEU RECEI		\$	
		FEB 28	2011 E.S	ADDRESS REGIST THE PROPERTY OF THE STREET PRO	
		DIV. OF OIL, GA	PET	Ander an international reportment in the contract in the contr	
14. I hereby certify that the foregoing is	s true and correct. Electronic Submission #	92103 verified by the BLM Well			
Со	For QEP EN	NERGY COMPANY, sent to the cessing by GAIL JENKINS on 0	Vernal	occupations and the second section and an experimental and an expe	
Name (Printed/Typed) VALYN DA			ATORY ASSISTANT		
Signature (Electronic S	Submission)	Date 08/31/2	010		
	THIS SPACE FO	R FEDERAL OR STATE	OFFICE USE		
Approved By	Dr.	Title La	ng Assistant Field Manager nds & Mineral Resources	DEG 2 1 2010	
Conditions of approval, if and are attache certify that the applicant holds legal or equivalent would entitle the applicant to conductive the conductive the applicant to conduct the applicant the applicant to conduct the applicant the ap	intable title to those rights in the	s not warrant or e subject lease Office	RNAL FIELD OFFICE		

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States are a legislation of the United States are a legislation.

CONDITIONS OF APPROVAL

QEP Energy Company

Notice of Intent APD Extension

Lease:

UTU-0810

Well:

WV 7A-24-8-21

Location:

SWNE Sec 24-T8S-R21E

An extension for the referenced APD is granted with the following conditions:

- 1. The extension and APD shall expire on 11/12/12.
- 2. No other extension shall be granted.

If you have any other questions concerning this matter, please contact Carey Doyle of this office at (435) 781-4430.

Sundry Number: 18148 API Well Number: 43047403310000

STATE OF UTAH			FORM 9	
DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		G	5.LEASE DESIGNATION AND SERIAL NUMBER: UTU-0810	
SUNDRY NOTICES AND REPORTS ON WELLS			6. IF INDIAN, ALLOTTEE OR TRIBE NAME: UTE	
	sals to drill new wells, significantly deepen exigged wells, or to drill horizontal laterals. Use a		7.UNIT or CA AGREEMENT NAME: WONSITS VALLEY	
1. TYPE OF WELL Gas Well			8. WELL NAME and NUMBER: WV 7A-24-8-21	
2. NAME OF OPERATOR: QEP ENERGY COMPANY			9. API NUMBER: 43047403310000	
3. ADDRESS OF OPERATOR: 11002 East 17500 South , Ve		NUMBER: 3 Ext	9. FIELD and POOL or WILDCAT: WONSITS VALLEY	
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1657 FNL 1342 FEL			COUNTY: UINTAH	
QTR/QTR, SECTION, TOWNSHI	IP, RANGE, MERIDIAN: Township: 08.0S Range: 21.0E Meridian: S		STATE: UTAH	
11. CHE	CK APPROPRIATE BOXES TO INDICATE N	NATURE OF NOTICE, REPORT	, OR OTHER DATA	
TYPE OF SUBMISSION		TYPE OF ACTION		
QEP ENERGY COMPAI	CHANGE TO PREVIOUS PLANS CHANGE WELL STATUS DEEPEN OPERATOR CHANGE PRODUCTION START OR RESUME REPERFORATE CURRENT FORMATION TUBING REPAIR WATER SHUTOFF	AR EXTENSION FOR TH		
NAME (PLEASE PRINT)	PHONE NUMBER	TITLE		
Valyn Davis SIGNATURE	435 781-4369	Regulatory Affairs Analyst DATE		
N/A		9/6/2011		

Sundry Number: 18148 API Well Number: 43047403310000



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047403310000

API: 43047403310000 **Well Name:** WV 7A-24-8-21

Location: 1657 FNL 1342 FEL QTR SWNE SEC 24 TWNP 080S RNG 210E MER S

Company Permit Issued to: QEP ENERGY COMPANY

Date Original Permit Issued: 9/8/2008

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

• If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes No
 Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes No
 Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes No
 Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location? Yes No
• Has the approved source of water for drilling changed? Yes No
 Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes No
• Is bonding still in place, which covers this proposed well? Yes No

Signature: Valyn Davis **Date:** 9/6/2011

Title: Regulatory Affairs Analyst Representing: QEP ENERGY COMPANY

Sundry Number: 29808 API Well Number: 43047403310000

DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MININO SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill now wells, significantly deepen existing wells below, current bottom-hold deeph; reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERRIT TO DRILL form for such proposals. 1 "TYPE OF WELL Saw Well		STATE OF UTAH		FORM 9	
Do not use this form for proposals to drill new wells. significantly deepen existing wells below current bottom-hole depth, reenter plugged wells. or to drill horizontal laterals. Use APPLICATION PERMET DO DRILL form for such proposals. 1.TYPE OF WELL Gas Well 2. NAME OF OPERATOR: QPENERGY COMPANY 3. ADDRESS OF OPERATOR: QPENERGY COMPANY 3. ADDRESS OF OPERATOR: QPENERGY COMPANY 3. ADDRESS OF OPERATOR: QPENERGY COMPANY 4. SAPI NUMBER: 4.	DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		i		
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NOTICE OF INTENT Approximate dew work will start: 9/8/2013 CHANGE WELL STATUS COMMINGE PRODUCING FORMATIONS CONVERT WELL TYPE	TYPE OF SUBMISSION		TYPE OF ACTION		
Valyn Davis 435 781-4369 Regulatory Affairs Analyst	Approximate date work will start: 9/8/2013 SUBSEQUENT REPORT Date of Work Completion: SPUD REPORT Date of Spud: DRILLING REPORT Report Date: 12. DESCRIBE PROPOSED OR QEP ENERGY COMPA	CHANGE TO PREVIOUS PLANS CHANGE WELL STATUS DEEPEN OPERATOR CHANGE PRODUCTION START OR RESUME REPERFORATE CURRENT FORMATION TUBING REPAIR WATER SHUTOFF WILDCAT WELL DETERMINATION COMPLETED OPERATIONS. Clearly show all per	CHANGE TUBING COMMINGLE PRODUCING FORMATIONS CRACTURE TREAT CLUG AND ABANDON CECLAMATION OF WELL SITE CONTROL OF THE CONTROL O	CHANGE WELL NAME CONVERT WELL TYPE NEW CONSTRUCTION PLUG BACK RECOMPLETE DIFFERENT FORMATION TEMPORARY ABANDON WATER DISPOSAL ✓ APD EXTENSION OTHER: epths, volumes, etc. Approved by the Utah Division of Oil, Gas and Mining Date: September 13, 2012	
N/A 9/6/2012	SIGNATURE	435 781-4369	DATE		

Sundry Number: 29808 API Well Number: 43047403310000



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047403310000

API: 43047403310000 Well Name: WV 7A-24-8-21

Location: 1657 FNL 1342 FEL QTR SWNE SEC 24 TWNP 080S RNG 210E MER S

Company Permit Issued to: QEP ENERGY COMPANY

Date Original Permit Issued: 9/8/2008

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

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• Has the approved source of water for drilling changed? Yes No
 Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes No
• Is bonding still in place, which covers this proposed well? Yes No
nature: Valvn Davis Date: 9/6/2012

Title: Regulatory Affairs Analyst Representing: QEP ENERGY COMPANY

Sundry Number: 42329 API Well Number: 43047403310000

	STATE OF UTAH		FORM 9
DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING			5.LEASE DESIGNATION AND SERIAL NUMBER: UTU-0810
SUNDRY NOTICES AND REPORTS ON WELLS			6. IF INDIAN, ALLOTTEE OR TRIBE NAME: UTE
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11. CHECI	K APPROPRIATE BOXES TO INDICATE	NATURE OF NOTICE, REPOF	RT, OR OTHER DATA
TYPE OF SUBMISSION		TYPE OF ACTION	
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NOTICE OF INTENT Approximate date work will start:	CHANGE TO PREVIOUS PLANS	CHANGE TUBING	CHANGE WELL NAME
9/8/2014	CHANGE WELL STATUS	COMMINGLE PRODUCING FORMATIONS	CONVERT WELL TYPE
SUBSEQUENT REPORT	DEEPEN	FRACTURE TREAT	NEW CONSTRUCTION
Date of Work Completion:	OPERATOR CHANGE	PLUG AND ABANDON	PLUG BACK
	PRODUCTION START OR RESUME	RECLAMATION OF WELL SITE	RECOMPLETE DIFFERENT FORMATION
SPUD REPORT Date of Spud:	REPERFORATE CURRENT FORMATION	SIDETRACK TO REPAIR WELL	TEMPORARY ABANDON
· ·	TUBING REPAIR	VENT OR FLARE	WATER DISPOSAL
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DRILLING REPORT Report Date:	L WATER SHUTOFF	SI TA STATUS EXTENSION	✓ APD EXTENSION
	WILDCAT WELL DETERMINATION	OTHER	OTHER:
QEP ENERGY COMPA	COMPLETED OPERATIONS. Clearly show all ANY HEREBY REQUESTS A ONE APD ON THE ABOVE CAPTIONE	YEAR EXTENSION FOR	lepths, volumes, etc. Approved by the Utah Division of Oil, Gas and Mining
			Date: September 12, 2013
			By: Doggill
			7.3
NAME (PLEASE PRINT) Valyn Davis	PHONE NUMBEI 435 781-4369	R TITLE Regulatory Affairs Analyst	
SIGNATURE	,	DATE	
N/A		9/5/2013	

Sundry Number: 42329 API Well Number: 43047403310000



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047403310000

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nature: Valyn Davis Date: 9/5/2013

Sig

Title: Regulatory Affairs Analyst Representing: QEP ENERGY COMPANY



State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

August 12, 2014

Valyn Davis QEP Energy Company 11002 East 17500 South Vernal, UT 84078 43 047 40331 NV 7A- 24-8-21 24 85 ZIE

Re:

APDs Rescinded for QEP Energy Company, Uintah County

Dear Ms. Davis:

Enclosed find the list of APDs that you asked to be rescinded. No drilling activity at these locations has been reported to the division. Therefore, approval to drill these wells is hereby rescinded, effective August 5, 2014.

A new APD must be filed with this office for approval <u>prior</u> to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

Diana Masor

Environmental Scientist

cc: Well File

Bureau of Land Management, Vernal



43-047-39464 CWD 13D-32-8-24 43-047-40331 WV 7A-24-8-21 43-047-40341 RWS 12SWD-5-9-24 43-047-15207 RW 34-21A 43-047-15282 RW 34-28A 43-047-40356 NBZ 15D-30-8-24 43-047-40357 CWD 6D-32-8-24 43-047-40358 CWD 2D-32-8-24 43-047-40359 CWD 5D-32-8-24